

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1180896-1

Total Deleted Page(s) = 24

Page 12 ~ b6; b7C; b7D;
Page 13 ~ b6; b7C; b7D;
Page 14 ~ b6; b7C; b7D;
Page 15 ~ b6; b7C; b7D;
Page 16 ~ b6; b7C; b7D;
Page 54 ~ b6; b7C; b7D;
Page 55 ~ b6; b7C; b7D;
Page 56 ~ b6; b7C; b7D;
Page 57 ~ b6; b7C; b7D;
Page 58 ~ b6; b7C; b7D;
Page 59 ~ b6; b7C; b7D;
Page 60 ~ b6; b7C; b7D;
Page 61 ~ b6; b7C; b7D;
Page 78 ~ b6; b7C; b7D;
Page 81 ~ b6; b7C; b7D;
Page 82 ~ b6; b7C; b7D;
Page 83 ~ b6; b7C; b7D;
Page 84 ~ b6; b7C; b7D;
Page 85 ~ b6; b7C; b7D;
Page 86 ~ b6; b7C; b7D;
Page 87 ~ b6; b7C; b7D;
Page 90 ~ b3; b6; b7C;
Page 91 ~ b3; b6; b7C;
Page 93 ~ b6; b7C; b7D;

XXXXXXXXXXXXXXXXXXXX
X Deleted Page(s) X
X No Duplication Fee X
X For this Page X
XXXXXXXXXXXXXXXXXXXX

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription

05/09/2002

[redacted] voluntarily appeared at the FEDERAL BUREAU OF INVESTIGATION'S (FBI) North Resident Agency Office in Rolling Meadows, Illinois for an interview. Accompanying [redacted] was his Attorney, [redacted], telephone [redacted]. After being advised of the official identities of the interviewing Agents and the nature of the interview [redacted] provided the following information:

b6
b7C

[redacted] advised that he became an investor in the EMERALD CASINO after he heard about the opportunity from a friend, [redacted]

b6
b7C

[redacted] headed up a group called GLOBETROTTERS that looked for investment opportunities for minority investors.

[redacted] became aware of the EMERALD CASINO opportunity and discussed it with [redacted]. By the time [redacted] got back to [redacted] to join the group of investors who were going to invest under the GLOBETROTTERS umbrella, [redacted] told him that he had all the individuals he needed and denied [redacted] the opportunity. [redacted] did provide [redacted] with the information he received from EMERALD so that [redacted] could invest on his own. [redacted] took that information, and with the help of Attorney [redacted] and State Representative [redacted] completed the information and applied. [redacted] advised that ironically, [redacted] and his group were denied the opportunity to invest because EMERALD did not want to sell minority shares to groups, but rather to individuals.

b6
b7C

[redacted]'s first meeting was with EMERALD representative [redacted]. [redacted] was accompanied by [redacted]. At that point, [redacted] felt that he may have a conflict, as he was a State Representative, and after making the introduction, [redacted] left and no longer participated in the meeting or any further matters concerning [redacted]'s investment. The meeting occurred at EMERALD's offices at 120 North LaSalle in Chicago. [redacted] did not invest right after this first meeting, but after talking with [redacted] by telephone on two or three later occasions. When [redacted] took some time to make up his mind, [redacted] said that he [redacted] could not hold the shares forever and that if [redacted] did not invest someone else would. [redacted] told [redacted] that the someone else was [redacted] [redacted] who wanted to obtain as many shares as possible. [redacted] initially invested \$1,050,000 for .42% of the casino in late September 1999.

Investigation on 4/22/2002 at Rolling Meadows, IllinoisFile # 194B-CG-114999-F-292 Date dictated 4/26/2002by SA [redacted] merb6
b7C

194B-CG-114999

Continuation of FD-302 of [redacted]

, On 4/22/2002 , Page 2

b6
b7C

Approximately one year later in August 2000, [redacted] decided to invest additional money and purchased a 1% interest in the casino for \$3 million. This investment was made through [redacted] also. Since that time, [redacted] has occasionally contacted [redacted] to ask what was going on with the company and with the casino. [redacted] was not aware of any problems that the company may have had until he heard about the [redacted] lawsuit. [redacted] did not seem too concerned about the lawsuit and [redacted] therefore never gave it too much thought.

[redacted] next became concerned when the ILLINOIS GAMING BOARD (IGB) denied the renewal of EMERALD's license. After that denial, [redacted] met with minority investors on a number of occasions to determine their best course of action. [redacted] recalled the first meeting he attended was at the EAST BANK CLUB shortly after the denial. The meeting was called by [redacted] learned that [redacted] was a lobbyist for Mayor DONALD STEPHENS in Rosemont. Since that time, he learned that [redacted] knew a lot about what was going on with Rosemont and with EMERALD. [redacted] explained that on a number of occasions [redacted] told him details concerning EMERALD and their attempts at selling the casino to MGM. [redacted] confirmed those details either through conversations with [redacted] or through things he would later read in the newspaper.

b6
b7C

Recently, [redacted] called [redacted] and said that she saw his name on the agenda for the April 16, 2002 IGB meeting. [redacted] advised that people were nervous about what he might say at the meeting. [redacted] thought that the "people" she was referring to were EMERALD and MGM officials who wanted the merger to take place.

b6
b7C

[redacted] told [redacted] that now was a prime time to cut a deal with MGM to insure his minority investment was safe. She stressed that no minorities were guaranteed to get back in the deal and suggested that [redacted] contact [redacted] called [redacted] on April 19, 2002. [redacted] implied that minority investors that spoke negatively about the EMERALD/MGM merger might not be allowed to buy back in after the merger. [redacted] cautioned [redacted] to look out for his own interest and be careful what he said. [redacted] urged [redacted] to be neutral in his comments about the merger because if he spoke out against the merger he might not be able to get back in. [redacted] disregarded this advice and went to the IGB meeting and spoke his mind. [redacted] spoke out against the merger and even told the board in open session about the implied threat he detailed above. After the meeting, [redacted] another minority investor, encouraged [redacted] to join the rest of the minorities and support the merger as they felt that was the only way to protect their investment. [redacted]

194B-CG-114999

Continuation of FD-302 of [redacted]

, On 4/22/2002 , Page

3

b6
b7C

declined. [redacted] advised that he and [redacted] are the only two minority investors who are not a part of the minority group supporting the merger.

Several months ago [redacted] was contacted by [redacted] who asked if he would be interested in meeting [redacted] and becoming involved in an after-school program on Chicago's West Side. [redacted] agreed and on Valentine's Day 2002 he attended a dinner at SPAGO in downtown Chicago. Attendees at the meeting were [redacted] and his wife, [redacted]. A new after-school program for high school students on the West Side was discussed. The program was being headed up by [redacted]. [redacted] is on the board for the project. It has yet to be determined if [redacted] will be asked to participate on the Board. [redacted] described [redacted] as a "facilitator."

b6
b7C

On another occasion, in late December 2001 or early January 2002, [redacted] were going to meet in Las Vegas to personally present their concerns to MGM President [redacted]. [redacted] mentioned this to [redacted] who invited herself along. They all met in Vegas and went to see [redacted]. [redacted] described the meeting as very disappointing as [redacted] claimed no knowledge of the entire matter and was no help to them whatsoever. One thing [redacted] found interesting was as they were leaving after the meeting, [redacted] told [redacted] that she would like to be considered as a female investor once the merger was completed. This surprised [redacted] because he thought from the beginning that [redacted] was one of the minority investors. Now he's uncertain of her status as an investor in the casino.

b6
b7C

[redacted] explained that one reason that he did not want to join the group of minority investors supporting the MGM deal was that he did not know whom to trust. [redacted] explained that the "leader" of that group is [redacted] heads up the Olympic Group which is made up of a number of influential minorities who for some time have been trying to obtain investments in gambling interests. When the legislation that allowed the casino to relocate to Rosemont was passed in May 1999, [redacted] was a lobbyist in Springfield who lobbied for the legislation. [redacted] has certainly not been shy about telling anyone who will listen about how he lobbied for the bill and how his efforts resulted in minorities obtaining the 20% ownership requirement. After obtaining this concession from the legislature, [redacted] attempted to purchase all 20% of the minority ownership interest for his Olympic Group.

b6
b7C

194B-CG-114999

Continuation of FD-302 of [redacted]

, On 4/22/2002

, Page 4

b6
b7C

Currently, [redacted] heard that [redacted] is trying to make a deal with the PEQUOT Indian tribe. Once the MGM merger went through, the current minorities would not be allowed to buy back in and the Indians would replace them as the minority investors. [redacted] would get \$35 million dollars from the tribe for brokering this deal.

Another question [redacted] has concerns MGM's current Attorney, [redacted] explained that he knew that [redacted] was a lobbyist for the Olympic Group in Springfield at the time this legislation was passed. [redacted] finds it unusual that [redacted] acted in that capacity and now represents MGM in the merger matter.

b6
b7C

[redacted] admitted that he did not conduct any due diligence prior to making this investment. He has since heard a number of alarming anecdotal stories concerning the [redacted]'s that make him question their integrity and business ethics. [redacted] related one story he heard from [redacted] who claimed her husband was cheated out of some of his investment through a "cram down" orchestrated by [redacted]. [redacted] explained that [redacted] made several very large loans to HP, INC. (currently EMERALD). Shortly after making the loans, [redacted] demanded payment knowing that no one would be able to come up with the money. He then negotiated for payment to be made with shares of the company. Those shares increased his ownership and diluted everyone else's ownership share of the company. It's business practices like these that cause [redacted] to be suspect of the [redacted]'s and not wanting to join the other minorities in supporting the MGM/EMERALD merger.

b6
b7C

[redacted] is described as follows:

b6
b7C

Sex:
Race:
DOB:
SSAN:
Address:

[redacted]

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/02/2002

[redacted], Chicago, Illinois, 60606, telephone number [redacted] was contacted at his place of employment. After being advised of the identity of the interviewing agents and the nature of the interview, [redacted] provided the following information:

b6
b7C

[redacted] is a [redacted] for [redacted] [redacted] since 1997. He worked at [redacted] from 1992 to 1997 and before that he worked at [redacted] from 1984 to 1992.

b6
b7C

[redacted] was introduced to [redacted] in the early 1990's by [redacted] who worked with [redacted]'s client, Leonard Riecin (deceased). [redacted] started trading with [redacted] at [redacted] and went with him to [redacted] started trading with an individual account (PW account # [redacted]) and with an account for his daughter [redacted] (PW account # [redacted]). He initially was interested in investment income and coupon bonds. He later became more aggressive and started trading over the counter stocks and options at [redacted].

b6
b7C

In approximately 1992, [redacted] started a joint trading account (PW account # [redacted]) with Mayor Donald Stephens whom he described to [redacted] as his friend. [redacted] thought the initial investment was approximately \$100,000 but he could not be certain as he did not see the initial deposits. [redacted] cashiers handle new additions and/or disbursements on accounts and not the account representative.

b6
b7C

[redacted] handled all the activity on the account which [redacted] described as typical. [redacted] did not recall ever speaking with Stephens.

b6
b7C

[redacted] informed [redacted] in approximately June of 1993 that he and Stephens wanted to close their joint trading account. [redacted] told [redacted] he would need a letter signed by both men indicating they wanted the account closed. [redacted] recalled [redacted] became upset upon learning that Stephens had to sign the letter to close the account. [redacted] said there was some issue regarding the fact that [redacted] may have made additional

b6
b7C

Investigation on 4/23/02 at Chicago, Illinois

File # 194B-CG-114999 *E-293*

Date dictated 4/30/02

SA [redacted] RPF:rpf
by SA [redacted]

b6
b7C

194B-CG-114999

Continuation of FD-302 of [redacted]

, On 4/23/02

2

b6
b7C

contributions to the account without telling Stephens. [redacted] was concerned that he had to tell Stephens the balance in the account was not a 50/50 split and that he purchased additional stocks without telling Stephens. [redacted] did not know how [redacted] resolved the issue with Stephens.

[redacted] reviewed the [redacted] Stephens account records from [redacted] including a 7/15/93 letter addressed to him and signed by [redacted] and Stephens. The letter instructed [redacted] to transfer the remaining stocks in the joint account # [redacted] to [redacted]'s individual account # [redacted] effective immediately. This letter followed another unsigned letter dated 6/8/93 from [redacted] and Stephens requesting a check be issued to Stephens from the joint trading account. No dollar amount was mentioned. [redacted] said the letters were consistent with his recollection, however, he did not recall seeing either letter.

[redacted] observed that a check was issued for \$51,341.48 from the joint trading account on 6/17/93 and was probably sent to Stephens to purchase his position. The 5/31/93 balance on the account was \$158,140.44. [redacted] again said this was consistent with his recollection that Stephens did not receive half the account value but probably received a sum equal to the value of the stocks he originally purchased. On 7/19/93, the [redacted] /Stephens account was closed and the stocks transferred to [redacted]'s individual account.

[redacted] was asked why the joint account was not simply closed and the proceeds disbursed to Stephens and [redacted]. He stated [redacted] may have liked the stocks and wanted to keep them. He also may have wanted to avoid a tax issue which a sale might have generated for him. [redacted] could not recall any further information regarding the joint account and he had no further involvement with Stephens.

[redacted] described [redacted] s trading activity over the next four years as very active. He frequently made risky investments in over the counter stocks and futures. [redacted] dealt exclusively with [redacted] on the account. No other person was authorized to make trades on the account. [redacted] never mentioned that another person was involved with the account. [redacted] reviewed the application for the account and confirmed [redacted] had sole authority on the account.

b6
b7Cb6
b7Cb6
b7Cb6
b7C

194B-CG-114999

Continuation of FD-302 of [redacted]

, On 4/23/02

3

b6
b7C

In approximately June of 1997, [redacted] mistakenly advised [redacted] that he was exposed to open ended losses on an options trade which resulted in [redacted] prematurely closing his position with a \$30,000 loss. [redacted] was very angry about the transaction and had a friend familiar with options trading call [redacted] to find out what happened. [redacted] said that person may have been [redacted] threatened litigation but did not pursue it.

[redacted] was hired at Baird shortly after the trading incident. [redacted] transferred his accounts with [redacted] however, he conducted very few trades while at Baird and moved on to [redacted] [redacted] a few months later. [redacted] has not spoken to [redacted] since he closed his accounts at Baird.

[redacted] had an account with [redacted] at Paine Webber. [redacted] would frequently call [redacted] to monitor his and [redacted]'s investments. [redacted] told [redacted] that he was investing with [redacted] on some of the trades. [redacted] could not specifically recall which trades.

Lastly, [redacted] does not know [redacted] and never heard [redacted] mention his name.

b6
b7Cb6
b7Cb6
b7C

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/09/2002

15621 [redacted] was contacted and interviewed at his residence, [redacted] Illinois, telephone [redacted]. [redacted] was advised of the official identity of the interviewing Agent and the nature of the interview. [redacted] then provided the following information:

[redacted] was one of the original owners of HP, INC. (HP), the licensee operating the SILVER EAGLE CASINO in East Dubuque, Illinois. He was [redacted] and [redacted] of HP. Also, he was the President of AERIE HOTELS AND RESORTS, the management company that managed the casino. The other original investors were [redacted] and [redacted]. They each owned one-quarter of HP.

[redacted] explained the severe problems the SILVER EAGLE had in East Dubuque due to myriad factors, the main one being the change in gambling laws in Iowa that severely reduced SILVER EAGLE's business. Prior to Iowa relaxing their gaming laws, the SILVER EAGLE was earning \$30 to \$40 million per year. Once the laws were changed, the SILVER EAGLE began losing money. [redacted] was instrumental in trying to find a way to either move the casino license or open a second casino under the same license as the SILVER EAGLE was only using half the gaming positions the law allowed under the license. In his efforts to move the license, [redacted] met with representatives from Danville, Gurnee, and Rosemont. He also hired lobbyists [redacted] to assist in lobbying the state legislature to change the law to allow a licensee to move their casino.

[redacted] and his wife are good friends of [redacted] and his wife. [redacted] is the director of the EXPOSITION CENTER in Rosemont, Illinois. [redacted] previously worked together in the HILTON HOTEL organization and have known each other for years. Through [redacted] was able to obtain a meeting with Rosemont Mayor DONALD STEPHENS to discuss [redacted]'s interest in moving the casino and STEPHENS' interest in obtaining one. [redacted] believed he first met with STEPHENS in 1995 and probably met with him on 2 or 3 other occasions after that. [redacted] described the meetings as very cordial, but not very useful because

Investigation on 4/29/2002 at Winfield, Illinois

File # 194B-CG-114999-*E*-294 Date dictated 5/2/2002

by SA [redacted] mer

b6
b7cb6
b7cb6
b7cb6
b7cb6
b7c

194B-CG-114999

Continuation of FD-302 of [redacted]

, On 4/29/2002 , Page

2

b6
b7C

STEPHENS continually reminded him that the law did not allow a casino to open in Cook County.

In addition to trying to move his license, [redacted] looked to other states to determine if they had licenses available. [redacted] found that a Michigan City, Indiana license was available and created HP INDIANA and allied with a local Michigan City group, known as BLUE CHIP, in an effort to obtain that license. About three years prior, [redacted] bought into HP and paid approximately \$500,000 for a 7% interest in the SILVER EAGLE. HP INDIANA was eventually able to obtain the Michigan City license. HP obtained a 12% total interest in the new BLUE CHIP CASINO (3% for each of the 4 original HP owners), the [redacted] family obtained 70%, and the local BLUE CHIP Group held the remainder. In return for allowing the [redacted]'s 70% of the new BLUE CHIP, HP required that the [redacted]'s purchase HP's controlling interest in the SILVER EAGLE, approximately 60% for about \$1 million. This occurred in 1996.

[redacted] retained approximately .55% of HP (now EMERALD) which he values at approximately \$825,000.

b6
b7C

[redacted] discussed his opinion of the [redacted]'s and their business acumen. [redacted] is usually traveling somewhere in the world on his boat while his son, [redacted] is running the operation with [redacted]. [redacted] does not have a very good opinion of [redacted] and accused him of reneging on several handshake deals. [redacted] described [redacted]'s business philosophy as "if it's not written down we didn't have a deal." For this reason, [redacted] feels certain that [redacted] had a handshake agreement with representatives of [redacted] concerning ownership of the EMERALD CASINO, but since it was never written down, [redacted] backed out of the deal when it was no longer to his advantage. [redacted] was not called as a witness for deposition in the [redacted] lawsuit.

b6
b7C

[redacted] has had very limited contact with anyone involved with EMERALD over the past 2 years. When he did try to call the office his calls were not returned. [redacted] acknowledged that he wrote a letter to the GAMING BOARD in March of this year attempting to obtain some information concerning whether the GAMING BOARD approved certain ownership equity changes within HP/EMERALD. [redacted] resorted to writing the letter because of his inability to get anyone at EMERALD to explain to him what was happening. [redacted] had one meeting with ex-GAMING BOARD Administrator [redacted] concerning the equity ownership matters, but he did not get any answers. During the meeting, [redacted] tried to explain to

b6
b7C

194B-CG-114999

Continuation of FD-302 of [redacted]

, On 4/29/2002 , Page 3

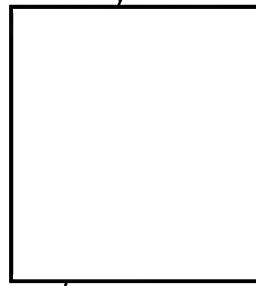
b6
b7C

[redacted] what changes in equity occurred and determine whether the GAMING BOARD knew of those changes and approved them. It is [redacted]'s opinion that EMERALD routinely sent the GAMING BOARD yearly financial statements that reflected the equity changes, but that the GAMING BOARD did not have staff with forensic accounting ability. Therefore, the GAMING BOARD was not aware of the subtle equity changes from year to year. The GAMING BOARD routinely approved EMERALD's financials each year and thereby unknowingly approved the equity changes without realizing what was happening. Those equity changes allowed the [redacted]s to obtain a greater share of the casino through dilution of shares of other owners. [redacted] and other investors feel cheated by those tactics and disappointed that the GAMING BOARD allowed it to happen. [redacted] advised that [redacted] ended the meeting abruptly and told him they would be in contact, but he has never heard from them. [redacted] thought that [redacted] and the Board were embarrassed that they failed to recognize what was happening at EMERALD.

[redacted] is described as follows:

b6
b7C

Sex:



Race:

DOB:

SSAN:

MEMORANDUM OF INTERVIEW

In Re: [REDACTED] et al

b6
b7C

Date: April 30, 2002

Time: Approximately 1:10 p.m. to 3:50 p.m.

Place: U.S. Attorney's Office
219 South Dearborn Street, Chicago, Illinois 60604

Present:

[REDACTED]
[REDACTED] Attorney for Witness
[REDACTED] Assistant United States Attorney
[REDACTED] FBI Special Agent
[REDACTED] FBI Special Agent
[REDACTED] IRS Revenue Agent
[REDACTED] IRS-CI Special Agent

b6
b7C
b7D

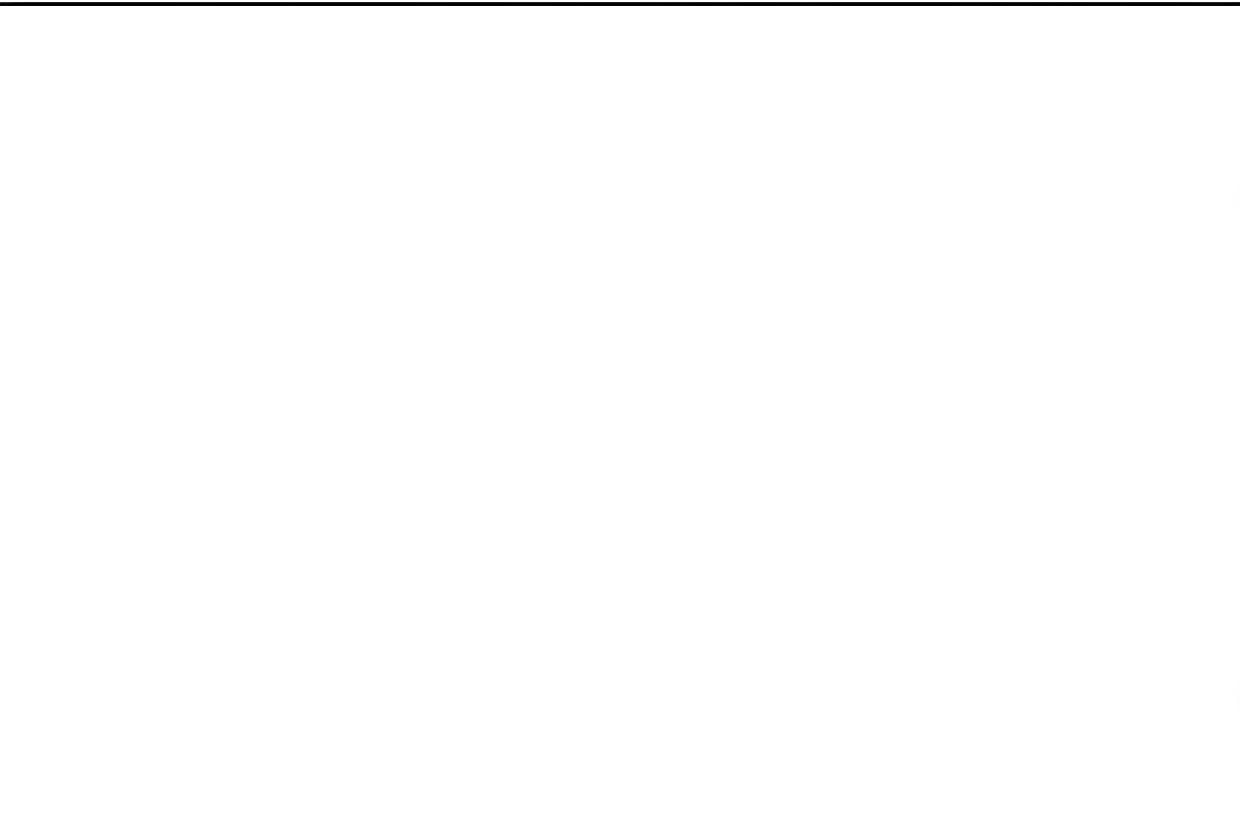
At the above date and time [REDACTED] and his attorney [REDACTED] reviewed and signed a proffer letter after receiving an explanation of the letter from AUSA [REDACTED] also explained the structure of the interview. [REDACTED] stated that he understood the terms of the interview and provided the following information.

b6
b7C
b7D

b6
b7C
b7D

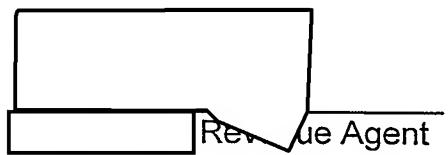
2/4
pbc

MW
5/5/02 ✓





b6
b7C
b7D



b6
b7C



- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/21/2002

[redacted] doing business as (dba) [redacted]
 [redacted] Barrington, Illinois 60010,
 [redacted] was interviewed at his place of employment regarding
 an investigation of [redacted]. After being advised of the
 nature of the investigation and the purpose of the interview,
 [redacted] provided the following information:

b6
b7c

[redacted] stated that he is the sole proprietor of [redacted]
 [redacted] Barrington, Illinois, which he has operated from the
 present location since 1993. He also advised that he operates the
 [redacted] from the basement of the jewelry shop, however,
 both companies fall under the organizational umbrella of [redacted]
 [redacted] Prior to that time, [redacted] stated that
 he sold loose jewelry in the Barrington area and opened up a small
 shop. He said in 1978 he was originally introduced to the jewelry
 business by a friend, [redacted] who possibly did business
 under the corporate name of [redacted]. From 1970 - 1979, [redacted]
 said he was the [redacted] of TRAVELINK TOURS
 INTERNATIONAL. He also said he was [redacted] of WHOLESALE
 TOURS INTERNATIONAL from 1965 - 1970, specializing in Middle East
 tours. [redacted] said that he is a graduate of BOB JONES UNIVERSITY
 and later became an ordained minister.

b6
b7c

Responding to questions concerning his social as well as
 business relationship with [redacted] advised that he
 was aware of [redacted]'s indictment in January 2002 and had a
 conversation with [redacted] concerning the indictment. He said
 [redacted] told him that he did nothing wrong and that he did
 receive commission payments from [redacted] of
 ACORDIA INSURANCE AGENCY. [redacted] said that [redacted] told him
 that he had no idea how the amount of the checks payable to him
 were ascertained, however, [redacted] would have made that decision.
 [redacted] was also told by [redacted] that five other insurance
 agencies were bidding for the Rosemont insurance contract and
 whatever [redacted] did [redacted] had no knowledge of these facts.
 [redacted] said he met [redacted] on an unspecified date during a
 golf outing with [redacted] at the BOULDER RIDGE COUNTRY CLUB
 located in Lake In The Hills, Illinois.

b6
b7c

Investigation on 5/16/2002 at Barrington, Illinois

File # 196B-CG-110974: 194B-CG-114999 E-299 Date dictated 5/17/2002
 SA [redacted]
 by SA [redacted] /mer

b6
b7c

196B-CG-110974; 194B-CG-114999

Continuation of FD-302 of [redacted]

, On 5/16/2002 , Page 2

b6
b7C

[redacted] said he first met [redacted] during the summer of 1990 at WYNSTONE COUNTRY CLUB, Barrington, Illinois. [redacted] was a potential new member of the country club, however, there was some question about his reputation and his association with DONALD STEPHENS, Mayor of Rosemont. [redacted] said that [redacted] an officer of the WYNSTONE DEVELOPMENT COMPANY, asked him to play golf with [redacted] and determine his character. [redacted] said that after playing golf with [redacted] his impression was that [redacted] was a gentleman and that later [redacted] confided to [redacted] about his background. [redacted] was told that [redacted] was murdered when [redacted] was 14 years of age. He further advised that the Mayor of Rosemont, DONALD STEPHENS, was a friend of his and had other friends that were labeled as members of organized crime. [redacted] told [redacted] that DONALD STEPHENS was not accepted for membership at the ROLLING GREEN COUNTRY CLUB in Arlington Heights, Illinois because of these associations.

[redacted] said that [redacted] further told him that he was never involved with any organized crime, however, knew people because of their connection to his father. [redacted] was also told that [redacted] was a member of the TEAMSTERS LOCAL 714 which also carried a reputation for employing hoodlums. [redacted] said he reported back to [redacted] about [redacted]'s reputation and character and recommended him for membership. [redacted] further stated that he has played golf with [redacted] and other friends, [redacted]. He also said in 1994 [redacted] invited him to play in a TEAMSTERS UNION golf tournament at Palm Springs, California where he met members of the [redacted] family and with JAMES HOFFA. [redacted] further stated that in 1999 he traveled with [redacted] to the Dominican Republic to play in another golf tournament. [redacted] said that he and [redacted] have been friendly for the past 12 years and they are known to socialize and get together for dinner and other social activities.

Responding to questions concerning the last time he saw [redacted] advised that he spoke to [redacted] today, May 16, 2002 at approximately 10:00am when [redacted] came to visit [redacted]. [redacted] said that he told [redacted] the FBI planned to talk to [redacted] today and [redacted] urged him to tell the truth. [redacted] also stated that approximately two weeks ago he saw [redacted] in Barrington, Illinois. [redacted] told him he had no money in his pockets and he asked [redacted] for \$1500 in cash. [redacted] advised he complied with [redacted]'s request.

Directing his attention to any investments or trading [redacted] is involved in with [redacted] advised that

b6
b7Cb6
b7C

196B-CG-110974; 194B-CG-114999

Continuation of FD-302 of [redacted]

, On 5/16/2002

3

b6
b7C

sometime in 1999 and 2000 [redacted] told him that he could make a lot of money with [redacted]. [redacted] stated that he initially gave [redacted] \$50,000 which he believes he drew down from a line of credit which was subsequently invested with [redacted] through [redacted]. [redacted] said he never saw any investment statements, however, he believes [redacted] paid the money back. On possibly another occasion [redacted] put up \$150,000 to invest with [redacted]
[redacted]

Responding to other financial transactions involving [redacted] stated that on a number of occasions, estimating 6 - 8 times, [redacted] would bring checks sometimes payable to [redacted] and sometimes payable to [redacted] and ask [redacted] to cash the checks. [redacted] recalled checks from BOMARK CLEANING SERVICES payable to [redacted] in the range of \$3000 - \$4000 which he in fact cashed at the BARRINGTON BANK AND TRUST and gave [redacted] cash. In other instances checks were payable to [redacted] which he deposited into his personal checking account and withdrew cash for [redacted]

At this point [redacted] was shown a group of exhibits relating to [redacted] made the following comments and observations:

[redacted] said that after reviewing a check dated April 24, 1997 drawn off [redacted]'S VIP BAIRD account payable to [redacted] the sum of \$15,554 and deposited into [redacted] S account, he said that he recalled giving [redacted] an investment tip for PEAK TECHNOLOGIES. He said [redacted] in fact bought shares of PEAK TECHNOLOGIES believed to be 1000 shares and returned a payment to [redacted] as a referral fee for good business.

At this point [redacted] was displayed a copy of an O.G. SERVICES CORPORATION check number 4043 dated April 6, 1998 payable to [redacted] the sum of \$50,000 drawn off the PARK NATIONAL BANK AND TRUST account. [redacted] said that [redacted] gave him an interest-free loan so that he could add inventory, meaning jewelry, to the Barrington store. [redacted] believes that the check was deposited into his business account to purchase products. He also said there was no promissory note only that [redacted] required the money when [redacted] had it. [redacted] said that he knows [redacted] to be the secretary for [redacted] however, he has never met her. [redacted] was not sure if this payment or loan had been paid to the present time. He did say, however, that [redacted] would routinely take items of jewelry from MICHALS JEWELRY STORE during a 4 year

b6
b7Cb6
b7Cb6
b7Cb6
b7C

196B-CG-110974; 194B-CG-114999

Continuation of FD-302 of [redacted]

, On 5/16/2002 , Page 4

b6
b7C

period without being charged. [redacted] also recalled [redacted] telling him that if you ever need money just let me know.

At this point [redacted] was displayed a copy of a PARKWAY BANK AND TRUST COMPANY check number 006 dated February 4, 2000 payable to [redacted] the sum of \$40,000 signed by [redacted]. [redacted] said the money was repayment for political contributions that he had made on behalf of [redacted] since 1997. [redacted] said that he would routinely make political contributions to the DONALD E. STEPHENS Committeeman Fund of approximately \$3000 per year as well as contributions to the MICHAEL MADIGAN Campaign Fund of approximately \$2500 per year. He said he also gave money to Illinois Governor GEORGE RYAN'S Campaign Fund with donations of \$500 per year. [redacted] also believed he made political contributions to Illinois Attorney General JAMES RYAN.

[redacted] said that the \$40,000 check in question has never been paid back, however, he believes for the political contributions made as well as the free jewelry given to [redacted] the \$40,000 check from [redacted] does not adequately compensate [redacted] for his political contributions.

[redacted] said that every November [redacted] would ask [redacted] to make contributions to the DONALD E. STEPHENS Campaign Fund for a dinner fundraiser that was generally endorsed by a letter by Governor GEORGE RYAN. Although [redacted] said he would not have made these political contributions on his own, did so because of his friendship to [redacted]. Additionally, [redacted] told [redacted] that if in fact the casino were to open in Rosemont he might consider putting one of his jewelry stores along the casino strip.

Directing his attention to a personal check drawn off the BARRINGTON BANK AND TRUST COMPANY account dated April 18, 2000 payable to [redacted] the sum of \$50,000, [redacted] said this \$50,000 would pay back the O.G. SERVICES loan for \$50,000 given to him in 1998. [redacted] was directed to review the back of the check which contains the endorsements of [redacted] and what appears to be the signature of [redacted]. [redacted] said that [redacted] is known to him as [redacted] Certified Public Accountant who he has met on a number of occasions. [redacted] could not explain why [redacted] S endorsement would be found on the back of a check payable to [redacted].

b6
b7Cb6
b7Cb6
b7Cb6
b7C

196B-CG-110974; 194B-CG-114999

Continuation of FD-302 of [redacted]

, On 5/16/2002 , Page 5

b6
b7C

Responding to questions concerning his knowledge of [redacted] said he first met [redacted] through [redacted] [redacted] in 1995 or 1996. He said the meeting took place at the WYNSTONE COUNTRY CLUB in Barrington, Illinois and he was introduced to [redacted] as [redacted]'S accountant. [redacted] said he last saw [redacted] during the summer of 2001 at the Mayor DONALD STEPHENS Golf Tournament held in Addison, Illinois. [redacted] said [redacted] tends to be very private about his business associates and gave little information about [redacted] said that [redacted] is not his personal or business tax accountant.

Directing his attention to a check drawn off the [redacted] account at CITY BANK dated July 13, 2000 payable to [redacted] the sum of \$11,000 and deposited into the [redacted] BARRINGTON BANK AND TRUST COMPANY account, [redacted] said that [redacted] in fact gave him this check. He further stated that the notation on the bottom of the check states [redacted] EDF MAN Account and [redacted] believes that he deposited the check and then gave [redacted] back \$5,500 in cash. [redacted] further stated that he made checks payable to EDF MAN Investment Account which he believes was controlled by [redacted]. He said that the checks would have come off his personal account and believed [redacted] operated a business called LKM PARTNERSHIP. [redacted] further explained the \$11,000 from [redacted] would represent the profits earned through his investment with [redacted] at EDF MAN.

b6
b7C

[redacted] was then displayed another check drawn off the [redacted] CITY BANK account dated August 17, 2000 payable to [redacted] the sum of \$1,467. [redacted] was displayed the check and specifically the memo section which stated EDF MAN NATE tax. [redacted] said he had no information about this check.

b6
b7C

At this point [redacted] was displayed a copy of a check drawn off the [redacted] AND COMPANY, Certified Public Accountants, AMERICAN NATIONAL BANK account dated August 18, 2000 payable to [redacted] the sum of \$51,133.77. The check appears to bear the signature of [redacted] and was deposited into [redacted] S personal account/at BARRINGTON BANK AND TRUST. [redacted] said that check was hand delivered to [redacted] by [redacted] and he believes the check represents a \$50,000 investment plus \$1,133.77 in interest. [redacted] said that to the best of his recollection would be that he gave [redacted] \$50,000 possibly in a cashier's check for a short term investment use.

b6
b7C

196B-CG-110974; 194B-CG-114999

Continuation of FD-302 of [redacted]

, On 5/16/2002 , Page 6

b6
b7c

Responding to questions concerning his affiliation with [redacted] said he met [redacted] through [redacted] at the WYNSTONE COUNTRY CLUB in South Barrington, Illinois. [redacted] said he knew that [redacted] was an investor with [redacted] however, had no details of his investments. [redacted] recalled sometime in the late 1990s, [redacted] told him to borrow all the money he could get his hands on and invest it with [redacted] said he invested \$150,000 with [redacted] through [redacted] and that his portfolio increased \$248,000 in a short period of time, however, shortly thereafter the portfolio decreased to \$103,000. [redacted] advised that he got scared with the loss of money and eventually got out of the investment. Again, [redacted] said he never received any financial information about his original \$150,000 investment through [redacted]

Responding to other individuals that [redacted] had met through his association with [redacted] he said he has met Mayor DON STEPHENS as well as his sons, [redacted]
[redacted] ROSEMONT POLICE DEPARTMENT,
TEAMSTERS UNION Official, [redacted]
JR.

b6
b7c

Directing his attention to a check drawn off a joint account of [redacted] dated August 16, 1999 payable to [redacted] the sum of \$1,650, [redacted] advised that he would have deposited this check into his own personal account and then gave [redacted] \$1,650 in cash per [redacted] S instructions.

b6
b7c

[redacted] was also displayed a copy of a check drawn off his BARRINGTON BANK account dated November 20, 1999 payable to DONALD E. STEPHENS COMMITTEE \$3000 which would have been for a political fundraiser.

b6
b7c

Responding to questions concerning [redacted] [redacted] said that [redacted] was known to him as a member of WYNSTONE COUNTRY CLUB and some sort of contractor. [redacted] said he knew that [redacted] was having financial problems, however, had no details.

b6
b7c

Responding to questions concerning the EMERALD CASINO proposed to be built in Rosemont, Illinois, [redacted] said that [redacted] talked about the casino constantly. [redacted] said that [redacted] envisioned a great return on his investment and that whenever he discussed his wife [redacted] being a minority investor he got excited. [redacted] said that [redacted] frequently urged him to

b6
b7c

196B-CG-110974; 194B-CG-114999

Continuation of FD-302 of [redacted]

, On 5/16/2002 , Page 7

b6
b7C

get involved in the EMERALD CASINO and to move his jewelry store to that location.

Responding to questions concerning [redacted]'s 1% investment in the EMERALD CASINO, [redacted] said that [redacted] told him that his wife attended a political function and was introduced to a member of the [redacted] family. He said through that introduction [redacted] became an investor. [redacted] was also told that [redacted] were also introduced to [redacted] in a similar manner.

b6
b7C

Responding to questions concerning the WYNSTONE properties owned by [redacted] said he was aware that [redacted] owned two properties, a townhouse and a residential property. He said the townhouse was the original townhouse of [redacted] and is situated right off Tee 1 of the golfcourse. He said the residential property was a joint venture with [redacted] who was the creator of the WYNSTONE DEVELOPMENT.

b6
b7C

Commenting on a \$50,000 check payable to FIRST NORTHWEST BANK OF ARLINGTON HEIGHTS on April 29, 1998, [redacted] advised that he opened a money market account at that bank. Furthermore, he said that [redacted] was the President of FIRST NORTHWEST BANK OF ARLINGTON HEIGHTS and he was also a member of WYNSTONE COUNTRY CLUB.

b6
b7C

The following information on [redacted] was obtained through interview and investigation:

b6
b7C

Name:

AKA:

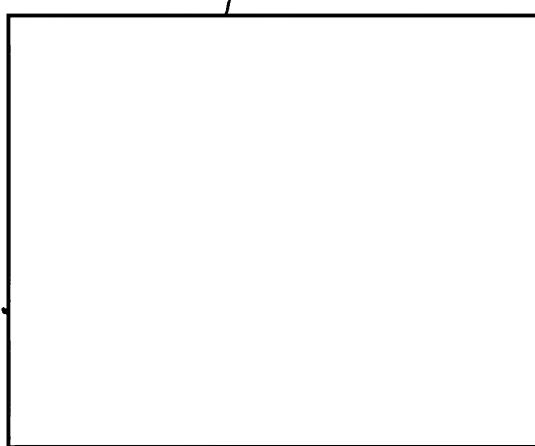
Residence:

Telephone:

Occupation:

DOB:

SSAN:



194B-CG-114999-E

JMK/jmk

The following investigation was conducted by SA [redacted]
[redacted] on the dates set out below:

On March 19, 2002, writer and SA [redacted] interviewed Illinois Gaming Board (IGB) Administrator [redacted] concerning the Emerald Casino and its proposed merger with MGM Mirage. On Friday, March 22, 2002, the IGB, through [redacted] issued a press release stating that the board turned down MGM's pitch to buy Emerald Casino and is now considering its own counter proposal.

Since that interview, writer has had several conversations with IGB Deputy Administrator-Investigations [redacted]. [redacted] advised that after the interview, [redacted] had several telephone discussions with IGB [redacted]. [redacted] advised [redacted] that the board had previously agreed in Executive Session that the MGM merger was dead and that [redacted] felt it was time to announce that to the public. [redacted] explained that the IGB staff, except for [redacted] and all board members, except for [redacted] were in agreement that the board rejected MGM's merger proposal. [redacted] made it clear to [redacted] that was the case and encouraged [redacted] to contact [redacted] to determine if he agreed with that opinion. [redacted] talked to [redacted] who agreed that the merger proposal was dead. [redacted] then directed [redacted] to release a public statement indicating that the MGM proposal was turned down and the board was currently considering a new competitive bidding proposal.

Additionally, both [redacted] and [redacted] told [redacted] that the FBI's interview indicated a strong federal interest in the Emerald Casino matter and cautioned [redacted] that the FBI's investigation may have turned up certain information unknown to the IGB.

[redacted] advised that notes concerning the Board's Executive Session held 1/28/02, were currently being reviewed by [redacted] and that he was changing and/or adding information in/to the notes in anticipation of their presentation to the board for approval at the Wednesday, March 27, 2002 meeting. [redacted] advised that staff was concerned that [redacted] was deleting information that showed his bias for the merger and relocation to Rosemont, and adding information that would make his presentation appear more objective, as he claimed it was during the FBI interview.

[redacted] advised that [redacted] was taking a vacation to Las Vegas from April 3 through 8, 2002.

[redacted] advised a staff attorney in the office, [redacted]

b6
b7C

b6
b7C

b6
b7C

b6
b7C

b6
b7C

b6
b7C

[redacted] had information concerning a meeting in Rosemont last Wednesday, March 20, 2002, at the Rosewood Inn. [redacted] would provide the information to the FBI as soon as possible.

b6
b7C

On 3/26/2002, writer and SA [redacted] met with Illinois Gaming Board (IGB) Deputy Administrator for Investigations [redacted] and Legal Counsel [redacted] advised that the wife of a friend of his was a waitress at the Rosewood Restaurant in Rosemont, IL. On Wednesday 3/20/2002, a private party was held in the back room of the Rosewood Restaurant. At the dinner party were Rosemont Mayor Donald Stephens, his wife [redacted] two black couples (identities unknown), an Indian couple (identities unknown, however, the male's first name was [redacted] and a Italian male. The Indian male, [redacted] LNU, paid for the entire dinner with a credit card. [redacted] was described as a tall, husky male, approximately 40 - 45 years of age who was married to a very pretty woman.

b6
b7C

During the dinner, the Mayor talked a lot about the proposed Rosemont casino and the Illinois Gaming Board. The Mayor spoke of several different casino companies having ownership of the casino, to include MGM and Park Place. The Mayor was heard to say that it was okay if the MGM merger was not approved because he had another company lined up to assume ownership of the casino. The Mayor suggested that the casino was a done deal, it was just a matter of time.

The waitress further overheard that possibly a Gaming Board member's wife was becoming friendly with the Mayor's wife. The Italian male at the dinner was described as short in stature, approximately 40 - 50 years old. He was looking for buyers for land around the casino that was owned by [redacted] LNU, the above-described Indian male. The Italian male and [redacted] were talking about zoning matters. [redacted] owned some stores in an unknown location.

b6
b7C

[redacted] advised that the only development known to date around the casino was an Omni Hotel that was to be built on land adjacent to the casino land.

b6
b7C

[redacted] both advised that it is well known to the Gaming Board that the Mayor of Elmwood Park, [redacted] was very close to Mayor Stephens and to current IGB Administrator [redacted]. In fact, Stephens had publicly boasted that he got [redacted] elected Mayor of Elmwood Park. [redacted] advised that on approximately 1/9/2002, a number of suburban Chicago mayors came to the IGB to show support for the casino. [redacted] was one of those mayors and after the publicly-staged support session, [redacted] met in private with [redacted] in [redacted] s office.

b6
b7C

Also on 1/9/2002, [redacted] advised that he was in the office at approximately 7:00pm when he overheard Administrator [redacted] talking on the telephone in his office to Governor George Ryan's

b6
b7C

Chief of Staff [redacted] did not know who originated the call or if [redacted] was talking on his office phone or his cell phone. [redacted] could not provide details of the conversation, but indicated [redacted] was very loud and animated during the friendly-sounding discussion.

b6
b7c

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 05/23/2002

To: Chicago

From: Chicago

NRA/NRA2

Contact: SA [redacted]

b6
b7C

Approved By: [redacted]

Drafted By: [redacted] mer

Case ID #: 194B-CG-114999 (Pending)

Title: DONALD E. STEPHENS, MAYOR;
VILLAGE OF ROSEMONT, ILLINOIS;
ET AL
CSLPO - LOCAL LEVELSynopsis: National Insurance Crime Bureau (NICB) request on
[redacted]b6
b7C

Details: On 5/9/2002, Senior SA [redacted] NICB, (630)257-8383, advised that a search of the NICB records produced two insurance claim files relating to [redacted]

On 5/14/2002, SA [redacted] telephonically contacted SSA [redacted] that the FBI desires complete insurance claim files on the 4/18/1993 claim by [redacted] as well as the 2/21/1999 by [redacted]

b6
b7C

[redacted] advised that he would request the claim files from the respective insurance companies and forward these to the FBI.

b6
b7C

Attached hereto is an NICB investigative presentation.

♦♦

M
S/30/02194B-CG-114999-E-302
143mer09.ec



INVESTIGATIVE PRESENTATION

NICB Case Number: C9934400011
Prepared By:

Location of Investigation: Chicago, IL
Date: 5/9/2002

b6
b7C

Senior Special Agent
P.O. Box 69, Lemont, IL 60439
Lemont, IL 60439
(630)257-8383

Presented To:

S/A [redacted]
FBI
1600 Golf Road
Rolling Meadows, IL 60008

- Approved for complaint
- Approved for further investigation
- Approved for transmittal

[redacted] *ER 5/9/02* [redacted] Area 1, Director
Date

b6
b7C

SYNOPSIS

S/A [redacted] FBI, requested assistance in locating insurance claim files pursuant to his case [redacted] et al. He requested insurance claim files involving [redacted] currently living at [redacted] IL.

As requested we have identified several claims.

D/L 4/18/93

Claimants: [redacted]

Insured: Bob Chinns Crabhouse

b6
b7C

D/L 2/21/99

Claimants: [redacted]

Insured: [redacted]

D/L 5/23/01

Claimant: [redacted]

Insured: [redacted] IL

Please find attached information involving these claims, for details of these claims please advise and I will request the claim files.

This is the fifth summary presented in this case.

Match #: 1

Reason for Match: Name of Claimant

Activity & Date: Property/Casualty 04/18/1993 File Number: 1T000394791
Type of Loss: Commercial Liability Liability
City: WHEELING State: IL Zip:
ISO Received: 05/14/1993
Company: FIREMAN'S FUND INSURANCE COMPANY Phone:
Address: CHICAGO BRANCH OFC CLMS
: 233 S WACKER STE 2000
City: CHICAGO State: IL Zip: 60606
Claim Number: 64093651611

Involved Party: Claimant

-->

Name:

Address:

City:

DOB:

State: IL

Zip: [REDACTED]

Injury/Damage: Stomach

Inflammation

b6
b7c

Involved Party: Insured

Name: BOB CHINNS CRABHOUSE INC

Address: 393 S. MILWAUKEE AVE.

City: WHEELING

State: IL

Zip: 60090

Match #: 1

Reason for Match: Name of Claimant

Activity & Date: Property/Casualty 04/18/1993 File Number: 9N000563032
Type of Loss: Commercial Liability Liability
City: WHEELING State: IL Zip:
ISO Received: 12/01/1993
Company: FIREMAN'S FUND INSURANCE COMPANY Phone:
Address: CHICAGO BRANCH OFC CLMS
: 233 S WACKER STE 2000
City: CHICAGO State: IL Zip: 60606
Claim Number: 64093651611

Involved Party: Claimant

--> Name: [REDACTED] b6
Address: [REDACTED] b7C
City: [REDACTED] State: IL Zip: [REDACTED]
DOB: [REDACTED]
SSN: [REDACTED] (SSN ISSUED [REDACTED]

*** More matches on this SSN outside this report ***

Occupation: CPA

Injury/Damage: Organs Internal parts Soft Tissue

Involved Party: Insured

Name: BOB CHINNS CRABHOUSE INC
Address: 393 S. MILWAUKEE AVE.
City: WHEELING State: IL Zip: 60090

Match #: 1

Reason for Match: Name of Claimant

Activity & Date: Property/Casualty 04/17/1993 File Number: 1A000580699
Type of Loss: Commercial Liability Liability
Location of Loss: BOB CHINN'S CRAB HOUSE
 City: WHEELING State: IL Zip:
ISO Received: 06/29/1993
 Company: ST PAUL FIRE & MARINE INSURANCE COMPANY Phone:
 Address: 500 W MADISON ST
 : #2600
 City: CHICAGO State: IL Zip: 60606
Claim Number: UB06185735234087

Involved Party: Claimant

--> Name:
 Address:
 City: State: IL Zip:

Injury/Damage: FOOD POISONING

b6
b7C

Involved Party: Insured

 Name: LASALLE NATIONAL BANK AS TR
 Address: 36 SOUTH WATER MARKET
 City: CHICAGO State: IL Zip: 60608

Match #: 1

Reason for Match: Name of Claimant

Activity & Date: Property/Casualty 04/18/1993 File Number: 1U000394791
Type of Loss: Commercial Liability Liability
City: WHEELING State: IL Zip:
ISO Received: 05/14/1993
Company: FIREMAN'S FUND INSURANCE COMPANY Phone:
Address: CHICAGO BRANCH OFC CLMS
: 233 S WACKER STE 2000
City: CHICAGO State: IL Zip: 60606
Claim Number: 64093651611

Involved Party: Claimant

--> Name: [REDACTED] b6
Address: [REDACTED] b7C
City: [REDACTED]
DOB: [REDACTED]
SSN: [REDACTED] (SSN ISSUED) [REDACTED]

*** More matches on this SSN outside this report ***

Occupation: CPA

Injury/Damage: Stomach

Inflammation

Involved Party: Insured

Name: BOB CHINNS CRABHOUSE INC

Address: 393 S. MILWAUKEE AVE.

City: WHEELING

State: IL

Zip: 60090

Match #: 1

Reason for Match: Name of Claimant

Activity & Date: Property/Casualty 02/21/1999 File Number: 4Z000307013
Type of Loss: Personal Automobile - Liability Bodily Injury Auto Related
City: BUFFALO GROVE State: IL Zip:
ISO Received: 03/03/1999
Company: ALLSTATE INSURANCE COMPANY Phone:
Address: ARLINGTON HEIGHTS MCO
: 51 W HIGGINS RD #R1B
City: S BARRINGTON State: IL Zip: 600109300
Claim Number: 101429834004

Involved Party: Claimant

-->

Name: [REDACTED]
Address: [REDACTED]
City: [REDACTED]
DOB: [REDACTED]
SSN: [REDACTED]

State: IL

Zip: [REDACTED]

b6
b7C(SSN ISSUED [REDACTED]
*** More matches on this SSN outside this report ***

Injury/Damage: ALL OVER SORE

Involved Party: Insured

Name: [REDACTED]

Match #: 1

Reason for Match: Name of Claimant

Activity & Date: Property/Casualty 02/21/1999 File Number: 5A000307013
Type of Loss: Personal Automobile - Liability Bodily Injury Auto Related
City: BUFFALO GROVE State: IL Zip:
ISO Received: 03/03/1999
Company: ALLSTATE INSURANCE COMPANY Phone:
Address: ARLINGTON HEIGHTS MCO
: 51 W HIGGINS RD #R1B
City: S BARRINGTON State: IL Zip: 600109300
Claim Number: 101429834005

Involved Party: Claimant

--> Name: [REDACTED] b6
Address: [REDACTED] b7C
City: [REDACTED]
DOB: [REDACTED]
SSN: [REDACTED] (SSN ISSUED) [REDACTED]

*** More matches on this SSN outside this report ***

Injury/Damage: ALL OVER SORE

Involved Party: Insured

Name: [REDACTED]

Match #: 1

Reason for Match: Name of Claimant

Activity & Date: Property/Casualty 05/23/2001 File Number: 6T000836284

Type of Loss: Personal Property - Homeowners Medical Payment

Location of Loss: MILWAUKEE AVENUE

City: WHEELING State: IL Zip:

ISO Received: 06/08/2001

Company: ALLIED MUTUAL INSURANCE COMPANY Phone: 5152527288

Contact:

Address: DES MOINES REG OFC CLM SC

: 3820 109TH ST DEPT:2004

City: DES MOINES State: IA Zip: 503912004

Claim Number: 12A60250

Policy Number: PPD0000972761

b6
b7C

Involved Party: Claimant

--> Name: State: IL Zip:
Address:
City:
Phone:

Injury/Damage: NECK PAIN

Involved Party: Insured

Name: State: IL Zip:
Address:
City:
VIN: PASS) Year: 1992
Make: LEXUS Model: LS400

*** More matches on this VIN outside this report ***

ILLINOIS GAMING BOARD RECORDS
RECEIVED 1/31/02 PURSUANT TO SUBPOENA #2 (served 3/19/02)

<u>Bates Stamp No.</u>	<u>Date</u>	<u>Description</u>	
001	1/7/02	[redacted] summary memo re ownership of casino site property.	b6 b7C
006	12/28/01	[redacted] letter to IGB enclosing [redacted] [redacted]/Bomark stock sales agreement documents (C051), [redacted] Federal Grand Jury subpoena (C067), Ryan and Ryan condemnation information (008), and Mayor Stephens letter to [redacted] divesting from SBD (C072).	b3 b6 b7C
015	1/16/02	[redacted] memo re land trust issues and summary chart.	b6 b7C
017	1/18/02	[redacted] memo re title search information.	(X) JMK
021	12/20/01	Podolsky Northstar Realty Partners fax and profile of [redacted]	
023		Jupiter Realty Corporation brochure.	
047	12/28/01	[redacted] letter to IGB re DNP Construction and list of DNP customers.	W/J/10 ~b6 b7C
051	6/22/99	Stock sale agreement between [redacted] and Bomark.	
059		Bomark checks, registers, and stock certificates reflecting above sale.	
067		[redacted] FGJ subpoena.	b3
072	12/27/01	Mayor Stephens letter to [redacted] divesting from SBD.	b6 b7C
073	1/3/02	[redacted] letter to IGB enclosing Ryan and Ryan letter regarding trusts.	

076	1/4/02	[redacted] letter to IGB enclosing [redacted] letter re Mayor Stephens ownership of American Tradeshow Services.
078	1/8/02	[redacted] letter to IGB enclosing [redacted] statement re money owed Rosemont for casino garage.
081	1/3/02	Information re prior casino site owners.
095	1/11/02	Ryan and Ryan letter enclosing judgement orders for casino site properties.
131		Additional casino site property information and judgement orders and deeds.
171		Rosemont redevelopment plans.
388		Casino site property title commitments.
445	1/21/02	[redacted] letter to IGB enclosing Mayor Stephens canceled stock certificate for American Tradeshow Services, affidavit and Illinois Secretary of State documents.
458	12/27/01	[redacted] memo re [redacted] ties to organized crime and IBT [redacted] report.

b6
b7c

b6
b7c

194B-CG-114999-E

JMK:mer

JMK

b6
b7c

1

ILLINOIS GAMING BOARD RECORDS - 1/31/02 SUBMISSION
SUBPOENA #1

<u>Bates Stamp No.</u>	<u>Date</u>	<u>Description</u>
74840	1/16/02	[redacted] letter to IGB re land trust information and shareholder approval of merger and attachments.
74857		Distribution of purchase price to share ownership.
74858		Memo re IRS section 338 election (refers to: "Agreement and Plan of Merger Agreement Merger dated 7/27/01 between Emerald Casino Inc. and MGM Mirage.")
74860	1/17/02	[redacted] memo re board presentation for 1/22/02 IGB meeting.
74862	1/17/02	[redacted] (Emerald) letter to IGB re settlement agreement.
74863		Settlement agreement.
74868	1/17/02	[redacted] memo re shareholder treatment.
74870	1/17/02	[redacted] memo re settlement talks with [redacted] (Emerald) and attached letter.
74873		Newspaper articles re [redacted] indictment and copy of indictment and press release.
74894	1/18/02	Land trust/title search information re casino site properties.
74896		Control addendum to settlement agreement.
74898	1/11/02	[redacted] (IGB) memo re administrative law judge's 5/5/99 judgement.
74904	1/22/02	[redacted] memo re shareholder investigations.

(X)
JMK

W
b7c ✓

045mer01.ins

194B-C G-114999-E-304

74905 1/22/02 [redacted] letter to [redacted] (Emerald) b6
re [redacted] letter on behalf of b7c
minority investors with letter attached.

74909 1/21/02 [redacted] letter to IGB re representation of minority investors.

74911 1/28/02 [redacted] memo re Emerald settlement negotiations and Rosemont presentation.

74914 1/24/02 [redacted] memo re calls received from Bally's and [redacted] and letter from [redacted] s attorney.

74916 1/23/02 [redacted] memo re meeting with Illinois AG's office.

74917 1/27/02 [redacted] letter to IGB.

74925 1/10/02 [redacted] memo re Emerald settlement.

74927 Same as 74911.

74930 12/18/01 [redacted] memo re settlement discussions on 12/14/01.

74932 [redacted] 10/1/01 memo and [redacted] 12/14/01 memo re settlement negotiation summary.

74937 12/14/01 [redacted] (Emerald) letter to IGB with exhibits outlining Emerald's settlement position.

74953 12/27/01 [redacted] memo comparing Emerald to Binion/Empress.

74955 12/5/01 [redacted] memo re [redacted]

74957 12/20/01 [redacted] (Emerald) letter to IGB.

74967 12/14/01 [redacted] memo re settlement history discrepancies.

74969 12/3/01 [redacted] memo re 11/29/01 meeting about merger and MGM letter.

74978 1/8/02 [redacted] addendum to 12/3/01 memo.

74980 12/27/01 [redacted] memo re Greek Town casino case -
in Michigan. b6
b7C

74983 12/21/01 [redacted] (MGM) letter to IGB re Greek Town
case with enclosure.

74991 12/28/01 [redacted] memo re 12/28/01 meeting with
[redacted] (Emerald) and attached
settlement agreement.

74997 1/2/02 [redacted] memo re [redacted] 1/2/02 telcall
with [redacted] (Emerald) quoting
"without Rosemont, there is no offer."

74998 1/7/02 [redacted] memo re telcall with [redacted]
(Emerald) re shareholder distribution.

75000 1/9/02 [redacted] memo re [redacted] (Emerald)
counter offer.

75002 1/9/02 [redacted] memo re logistical concerns
and solutions to Emerald settlement
proposal.

75003 Same as 74840.

75004 Same as 74858.

75006 1/10/02 [redacted] (Emerald) letters to IGB re
settlement agreement with copy of
agreement signed by [redacted]

75016 Allocation of settlement proceeds
charts.

75023 1/4/02 Memo (legal opinion) from [redacted] to IGB
re structures for Emerald settlement.

75026 1/7/02 [redacted] memo to IGB re 1/22/02
settlement presentation (contains
summary of Emerald wrongdoing).

75035 1/4/02 [redacted] letter and enclosed [redacted]
letter.

75037 12/31/01 [redacted] memo re Rosemont vs. [redacted]
suit with [redacted] 12/28/01 letter.

75041		Land trust summary chart.
75042	1/7/02	[redacted] memo re ownership of casino site property (same as 001).
75047		Same as 75039.
75049		Property information (same as 095-170 and 388-444 on IGB Subpoena 2 list).
75070	12/28/01	[redacted] memo re IGB proposed regulatory controls and enclosures.
75080	1/3/02	IGB memo re private foundation structure funded by a gaming company.
75082	1/3/02	IGB memo re Grand Victoria foundation.
75084	12/4/01	IGB memo re enforcement perspective re Rosemont as a proposed casino site.
75089	12/5/01	Investigative concerns re a Rosemont casino.
75093	1/10/02	IGB memo re allocation of settlement proceeds directly from Emerald.
75095	12/3/01	IGB memo re powers of administrator [redacted]
75096	12/18/01	Illinois Attorney General letter appointing [redacted] and reply.
75099	12/11/01	IGB memo re minority investors and letters from Attorney [redacted] re meeting with IGB.
75106	12/20/01	IGB memo re set-asides in agreement.
75107	12/21/01	IGB memo re 12/20/01 telcall. [redacted]
75108	12/27/01	IGB memo re 12/20/01 telcall. [redacted]
75109	12/21/01	IGB memo re 12/21/01 (Emerald) telcall. [redacted]

75110 1/3/02 IGB memo re [REDACTED] telcall.

75111 1/9/02 [REDACTED] letter to IGB.

75112 Emerald v. IGB-defendants answer 1/9/02.

75133 1/23/02 IGB memo re 1/22/02 telcall with [REDACTED] (Emerald).

75134 Information re [REDACTED] representing minority shareholders.

75138 1/18/02 IGB memo re meeting with [REDACTED]

75139 1/17/02 West Central Municipal conference letter to IGB.

75140 Emerald v. IGB-first ammended complaint.

75157 1/24/02 [REDACTED] e-mail and photos of casino site.

75165 10/12/01 Letter listing anticipated expert witnesses on behalf of Emerald.

75167 IGB expert witness summaries.

75170 Emerald expert witness summaries and rebuttal experts.

75203 12/20/01 Emerald letter to IGB with list of all shareholders and revised letter and list and memo asking for backup.

75209 Same as 74904.

75210 1/10/02 [REDACTED] (Emerald) letter to IGB re distribution of MGM payment from proposed merger agreement and settlement agreement.

75238 1/25/02 IGB memo re AG's representative at 1/28/02 IGB meeting.

75239 Same as 74917.

75247 1/28/02 IGB memo re [REDACTED] telcall re minority investors.

b6
b7C

75248	1/24/02	IGB memo re contact from Nevada Gaming Board.
75249		Economic impact analysis for the proposed Rosemont casino development.
75279		Agreement and plan of merger agreement and schedules and exhibits.
75404	1/4/02	Letter to IGB explaining some terms of above agreements.
75405		Breakdown of payment upon closing calculations.
75419		Emerald balance sheet.
75423		Emerald financial statements.
75436		More breakdown of payment upon closing calculations.
75464	1/17/02	MGM letter to IGB re execution of merger.
75465	12/20/01	[redacted] letter to IGB and enclosed memo in support of granting license to Emerald in Rosemont.
75674	12/21/01	IGB memo re educational assistance fund/state gaming fund/IGB budget and attached budget estimate.
75678	12/27/01	IGB memo re educational assistance fund/state gaming fund/IGB budget and attached budget estimate.
75681	1/2/01	[redacted] memo re allocation of settlement proceeds directly from Emerald.
75684	1/10/02	[redacted] memo re allocation of settlement proceeds directly from Emerald.

b6
b7c

The following investigation was conducted by Special Agent (SA) [redacted] at Rolling Meadows, Illinois:

On May 17, 2002, [redacted] telephonically advised that he is employed at the [redacted] located at [redacted], Arlington Heights, Illinois. [redacted] said his company is a towing service and the owner is [redacted] who resides in [redacted] Illinois.

[redacted] said that several weeks ago, [redacted] towed a 23 foot boat, which was located in Lake Geneva, Wisconsin, and transported the boat to the ROYAL COACH AUTO BODY SHOP in Bartlett, Illinois. [redacted] said that the boat was owned by Mayor DONALD STEPHENS of Rosemont, Illinois, who is a friend of [redacted]. [redacted] was further aware of the fact that the owner of the ROYAL COACH AUTO BODY SHOP is [redacted] who is also a friend of [redacted]'s.

[redacted] said that transporting the boat jogged another memory which occurred during the winter of 2002. He said he recalled Mayor STEPHENS conducting a press conference at which time he was distancing himself from his Italian partner [redacted].

Sometime later Mayor STEPHENS had an accident believed to be in South Barrington and the vehicle was towed by D&R TOWING SERVICE of Barrington, Illinois. Thereafter, SCARSDALE SERVICE towed the vehicle from the BARRINGTON POLICE DEPARTMENT to the ROYAL COACH AUTO BODY SHOP located in Bartlett, Illinois.

[redacted] believes that the SOUTH BARRINGTON POLICE DEPARTMENT would have had to report the accident involving Mayor STEPHENS' vehicle which occurred somewhere in the vicinity of the residence of the Italian friend. [redacted] just thought it was ironic that Mayor STEPHENS was on t.v. just days prior to this and literally distanced himself from this associate.

[redacted] advised that he would recontact SA [redacted] as additional information comes to his attention.

b6
b7C

b6
b7C

b6
b7C

b6
b7C

b6
b7C

b6
b7C

W
6/10/02

194B-CG-114999-E-
154mer10.m5 318

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/10/2002

On this date, [REDACTED]

[REDACTED] Skokie, Illinois, 60077, [REDACTED]

[REDACTED] was interviewed. After being advised as to the nature of the interview and the identity of the interviewing agents, [REDACTED] provided the following information:

[REDACTED] stated that shortly after the legislation was passed which allowed the Emerald Casino to move to Rosemont, there was a shareholder's meeting at the law offices of [REDACTED]. [REDACTED] knew that the [REDACTED] had to give an interest in the company to minorities and females. After the meeting, [REDACTED] told [REDACTED] that if they needed some stock to sell to the minority shareholders, he would be willing to sell his. [REDACTED] said he would keep that in mind.

[REDACTED] was one of the original investors in the Eagle Ridge resort in Galena, Illinois. After the casino boat legislation was passed, he invested in the Emerald Casino which was based in Galena as well. It made sense for the investors of the Eagle Ridge resort to invest in the casino because the two would be located very near each other.

Initially, the casino did very well because the gaming laws of Illinois gave Illinois casinos a competitive advantage over the casinos in Iowa. The Iowa legislature then passed new gaming legislation which provided a competitive advantage to the casinos in Iowa. The Emerald Casino never really recovered. The [REDACTED] kept asking for more money to put into the casino, and [REDACTED] thought enough is enough and never put anymore money in the casino. Each time the [REDACTED] put more money in the casino, [REDACTED] percentage of ownership was diluted. [REDACTED] was aware of the dilution, but he did not want to put anymore money in the casino. Initially, [REDACTED] held a 10% ownership interest in the casino. By the time he sold the stock, his percentage ownership was less than 1%.

[REDACTED] also holds a note from the casino which he hopes to have repaid if the casino in Rosemont ever opens.

1103RLK01.302Investigation on 05/31/02 at Skokie, IllinoisFile # 1194B-CG-114999-E - 310Date dictated 06/01/02by SA
SAb6
b7Cb6
b7Cb6
b7Cb6
b7Cb6
b7Cb6
b7C

194B-CG-114999 E

Continuation of FD-302 of [redacted]

, On 05/31/02

2

b6
b7C

[redacted] was told at the shareholder meeting that the value of the company was about 600 million if the casino in Rosemont were to be opened. This would have made the value of [redacted] interest at six million dollars. Approximately ten days after the meeting, [redacted] called [redacted] and offered to buy his shares for 1.79 million. [redacted] took the offer. The deal was consummated with a check dated September 28, 1999, drawn on the account of [redacted]

[redacted] was happy just to get his money back out of the company, and to get a profit from his investment was even better. With all of the news about the casino, he is happy he took the offer and got out when he did. [redacted] assumed that [redacted] had bought the shares to sell to minority interest shareholders.

b6
b7C

[redacted] knows [redacted] as he often golfs with him. [redacted] does not contribute to local or state election campaigns, although he gave some money to President Bush's campaign. [redacted] has never met Mayor Stephens of Rosemont nor has he met [redacted]. [redacted] does not know how [redacted] would even know reported that [redacted] works downtown and has the phone number of [redacted]

b6
b7C

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription

06/13/2002

[REDACTED] Date of Birth (DOB) [REDACTED]
 Social Security Account Number (SSAN) [REDACTED] residing at [REDACTED] was
 telephonically interviewed at his residence regarding an investigation of [REDACTED]. After being advised of the nature of the investigation and the purpose of the interview, [REDACTED] provided the following information:

[REDACTED] is [REDACTED] of [REDACTED] a land development company located at [REDACTED] Tampa, Florida, [REDACTED] advised that he has been employed at [REDACTED] for the past 15 years. Prior to that time he worked for [REDACTED] another real estate company named after his father [REDACTED]. He said he also worked for the [REDACTED] CORPORATION, a commercial property venture owned by his father [REDACTED]

Directing his attention to a dinner meeting held in Chicago during May 2002 involving himself, [REDACTED] advised that the dinner took place at MIA CUCINA RESTAURANT in Palatine, Illinois. [REDACTED] advised that he was in Chicago on business and had arranged to play golf and meet with [REDACTED] regarding some property. He said that [REDACTED] happened to be in Chicago on an unrelated matter and that [REDACTED] was a good friend of [REDACTED]'S. He said that the dinner meeting just evolved after a game of golf at the WYNSTONE COUNTRY CLUB in Barrington, Illinois.

Responding to questions concerning any discussion [REDACTED] had with [REDACTED] concerning his January 2002 indictment by a Federal Grand Jury [REDACTED] said that [REDACTED] described the charges as "bullshit". [REDACTED] said [REDACTED] told him he did not do anything wrong; however, there were people, meaning the FBI, that were breathing down his back. [REDACTED] said he read the newspaper articles about [REDACTED]'S indictment, however. [REDACTED] S comments were short and to the point. [REDACTED] said he did in fact meet [REDACTED] on a number of occasions during golf outings with [REDACTED]. [REDACTED] further stated that he believes that one of his dissolved corporations, BSC BUILDERS INC., had

Investigation on 6/7/2002 at Tampa, Florida (telephonically)

File # 194B-CG-114999 SUB E - 315 Date dictated 6/7/2002

abe by SA [REDACTED] mer

b6
b7Cb6
b7Cb6
b7Cb6
b7C

194B-CG-114999 SUB E

Continuation of FD-302 of [redacted]

, On 6/7/2002 , Page 2

b6
b7C

insurance through AMERICAN BUSINESS INSURANCE AGENCY and [redacted]

Responding to questions concerning any business relationship between [redacted] said that to the best of his knowledge [redacted] were good friends and met through the WYNSTONE COUNTRY CLUB in Barrington, Illinois. He said he had no knowledge of any business arrangements between the two of them.

b6
b7C

Commenting on [redacted] advised that [redacted] is a former employee of the [redacted] CORPORATION and worked for his father during the 1980s. He said [redacted] also worked for [redacted] the famous insurance entrepreneur from Chicago, Illinois. [redacted] further advised that the property, now known as WYNSTONE, had been owned by [redacted] and purchased and developed by the [redacted] CORPORATION. He said part of the WYNSTONE name bears the last name of [redacted] said that [redacted] does some volunteer work for the Republican National Committee and is active politically in the Republican party.

b6
b7C

Directing his attention to [redacted] advised that he met [redacted] in 1989 at the WYNSTONE COUNTRY CLUB in Barrington, Illinois. [redacted] stated that he had heard through membership rumor that [redacted] was a mobster and had ties to organized crime. He said he spoke to [redacted] about this in his office and he was told by [redacted] that he is a legitimate businessman working out of Rosemont, Illinois. [redacted] said he learned from his conversations with [redacted] that he owned a cleaning business, a forklift business, and a restaurant called RIBS which he operated in Rosemont. [redacted] characterized [redacted] as an honest person.

b6
b7C

Responding to questions concerning BSC BUILDERS CORPORATION, [redacted] advised that he had been the president of BSC BUILDERS CORP. and other officers were [redacted]

b6
b7C

[redacted] He said that BSC BUILDERS CORP. was formed in 1991 and shut down sometime in 1993. [redacted] said the function of the corporation was to construct residential homes in Wynstone and in the adjacent area. He said he believes they built 2 homes in Wynstone priced at approximately \$700,000 each and later 2 or 3 other residential homes in the Lake Zurich area priced at approximately \$200,000 each. [redacted] further stated that each individual contributed something to the corporation. [redacted] said his role was his expertise in real estate and land development,

194B-CG-114999 SUB E

Continuation of FD-302 of [redacted]

, On 6/7/2002

3

b6
b7c

whereby [redacted] was a residential home builder. [redacted] provided loans to the corporation through one of his companies.

At this point, [redacted] was asked about any payments he may have received from O.G. SERVICE CORPORATION from 1991 to 1993 by way of check payable to BSC BUILDERS CORPORATION. [redacted] said he has no specific memory of a check, however, did recall [redacted] loaning money to the corporation through O.G. SERVICE CORPORATION to fund the projects. He also said that he met [redacted] [redacted] S accountant, on several occasions either related to business or playing golf. [redacted] recalled conversations with [redacted] usually telephonically, concerning construction and loans to BSC BUILDERS CORPORATION.

[redacted] said that [redacted] had worked for JOS DEVELOPMENT CORPORATION located in Atlanta, Georgia and his direct supervisor was [redacted] at WYNSTONE. [redacted] said that [redacted] in fact should be investigated because he received an illegal loan from a plumbing company and pledged some of the BSC property as collateral for that loan. [redacted] recalls being sued by the plumbing company, name not recalled, however, there was a \$20,000 settlement paid to the company. [redacted] believes that [redacted] [redacted] is currently residing and working in Texas.

Responding to questions concerning other business transactions between himself and [redacted] said sometime in 1995 he sold a corporate villa in Wynstone Development to [redacted] for a purchase price of approximately \$500,000. [redacted] said that JRS REALTY would have handled the transaction and that after [redacted] purchased the villa he used it to generate rental income until he sold the property in 2000. [redacted] further stated that JRS REALTY INC. consisted of himself and [redacted] a financial officer currently employed with [redacted] at SIMANCO INC. in Tampa, Florida. [redacted] did not have any details as to how [redacted] financed the villa but assumed a portion of it was borrowed from a financial institution.

[redacted] further stated that [redacted] purchased an 8 acre parcel of land through JRS REALTY INC. in 2001. He said that the 8 acres had been designated for commercial development, however, was part of the Wynstone Development plan. [redacted] said the selling price to [redacted] was \$1 million of which [redacted] paid a \$250,000 down payment to JRS REALTY INC. [redacted] further stated that [redacted] currently owes the corporation \$750,000 which is paid in yearly installments over a 5-year period. [redacted] advised

b6
b7cb6
b7cb6
b7cb6
b7c

194B-CG-114999 SUB E

Continuation of FD-302 of [redacted]

, On 6/7/2002

, Page 4

b6
b7c

that [redacted] has not yet made the 2002 payment, however, that payment is not due at this time.

[redacted] recalled one other real estate transaction involving [redacted] and BSC BUILDERS which occurred in August 2000. He said that [redacted] purchased a property located at [redacted] [redacted] Illinois during a foreclosure sale. [redacted] said that [redacted] held the mortgage to the property under the name of BSC BUILDERS and then purchased the property during a foreclosure sale. [redacted] had no further details of this transaction.

b6
b7c

[redacted] was asked if he was ever requested by [redacted] to make any campaign contributions to DONALD STEPHENS, Mayor of Rosemont, Illinois. [redacted] said [redacted] never asked him to contribute to anyone's campaign fund.

b6
b7c

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/17/2002

[REDACTED] Date of Birth (DOB) [REDACTED]
 Social Security Account Number (SSAN) [REDACTED] residing at [REDACTED]

[REDACTED] was interviewed in the offices of MAYER, BROWN, AND PRATT, 190 South LaSalle Street, Chicago, Illinois 60603, in the presence of his Attorney [REDACTED]. After being advised of the nature of the investigation and the purpose of the interview, [REDACTED] provided the following information:

At the commencement of the interview, [REDACTED] was displayed a proffer letter dated June 13, 2002 from [REDACTED] United States Attorney, which was read and discussed by [REDACTED]. After [REDACTED] advised [REDACTED] of the intent of the letter, it was signed by [REDACTED] in the presence of [REDACTED]

Responding to questions concerning [REDACTED]
 [REDACTED] advised that [REDACTED]

8
5
7/9
pbc

--

Investigation on 6/13/2002 at Chicago, Illinois

File # 194B-CG-114999 Sub E - 316 Date dictated 6/14/2002
 by SA [REDACTED] /mer

b6
b7C
b7D

b6
b7C
b7D

b6
b7C
b7D

b6
b7C

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/17/2002

[redacted] was interviewed at the Schaumburg MARRIOTT on Martingale Road. [redacted] was advised of the official identity of the interviewing Agent and the nature of the interview. [redacted] then provided the following information:

[redacted] has been a longtime friend of [redacted]. Both he and [redacted] attended the UNIVERSITY OF ILLINOIS at CHAMPAIGN (UIUC). In the late 1980s, [redacted] purchased some property in Galena, Illinois that later became the EAGLE RIDGE GOLF COURSE AND INN. [redacted] invested in the property with [redacted] and fellow investors [redacted] and some others. They brought in [redacted] to run and manage the inn and golf course. Around 1990, the Illinois Legislature granted riverboat gambling boat licenses to 10 areas around the state. One day when [redacted] was at the EAGLE RIDGE INN with his family, he was visited by [redacted] (phonetic), who had been granted the Jo Davies County riverboat license. After initially declining [redacted]'S proposal for [redacted] and his EAGLE RIDGE partners to invest in the riverboat because of the unsavory nature of gambling, [redacted] and the rest of his partners ultimately invested in the East Dubuque riverboat. [redacted] believed he initially put in approximately \$150,000. The partners formed HP INC. to run the casino and initially did very well. The HP partners eventually bought out [redacted] for \$20 million and gained total control of the riverboat.

Several years later when the state of Iowa relaxed their gambling laws, the riverboats' success suffered. Other investors were sought out in an effort to contribute capital to the venture to keep the boat afloat. [redacted] was associated through WASTE MANAGEMENT with [redacted] who became an investor in the riverboat. [redacted] loaned the venture millions of dollars which had the effect of diluting the original owners' investment. The original investors were not upset by this arrangement because they were not willing to put up the money to keep the venture going and were happy to have [redacted] there to bail them out. When HP Indiana acquired the Michigan City license, the original HP investors required that [redacted] take on a bigger part of the East Dubuque riverboat in order to be a part of the HP Indiana venture. [redacted] did, and that is how he obtained a majority ownership of the East Dubuque casino.

Investigation on 5/3/2002 at Schaumburg, Illinois

File # 194B-CG-114999-E -317 Date dictated 6/5/2002

by SA [redacted] /mer

b6
b7cb6
b7cb6
b7cb6
b7c

194B-CG-114999

Continuation of FD-302 of [redacted]

, On 5/3/2002 , Page

2

b6
b7c

[redacted] did not have any involvement in the lobbying which led to the legislation which allowed the riverboat to move from East Dubuque. [redacted] knew that HP had hired lobbyists in Springfield to help obtain the legislation, but he was not involved in that effort. [redacted] was involved in that area as his full-time job was managing the riverboat and the inn. [redacted] was busy running his insurance operation for NEW ENGLAND LIFE INSURANCE COMPANY.

[redacted] advised that he attended the August 1999 board meeting at which [redacted] gave a presentation concerning the new legislation and the requirement that the newly formed EMERALD CASINO had to sell 20% of its shares to minorities. [redacted] recalled that [redacted] alienated many of the older investors with his brash, condescending style. Most of the investors at the meeting were older, wealthy individuals who had been around a long time. [redacted] was this young upstart telling them how he and his father [redacted] saved them from financial ruin. A number of the original investors suggested that the [redacted] sell some of their shares to make room for the 20% minorities, as the [redacted] were the largest shareholders in the casino. The [redacted] rejected that idea and suggested that the older investors with smaller stakes sell to make room for the new shareholders. [redacted] and the rest of [redacted] s group were some of the smaller investors and did ultimately decide to sell.

b6
b7c

[redacted] explained that after the board meeting [redacted] had dinner with [redacted] that evening. Prior to that dinner, [redacted] asked [redacted] how much he wanted for his 15 shares. [redacted] advised that at the meeting [redacted] said shares to new investors were being offered for \$1.5 million per point. [redacted] declined that offer and said he would sell for \$3 million per point. [redacted] advised that evidently [redacted] accepted that offer because he purchased [redacted] s 15 shares for just over \$500,000. [redacted] knew that he sold the shares to [redacted] because the \$500,000 check was [redacted] s personal check. [redacted] believed that the shares were sold to the [redacted] so that they could then sell 20% to new minority investors. [redacted] never heard that [redacted] sold any stock to anyone other than minorities prior to or around the same time he was purchasing their stock.

b6
b7c

Shortly after the August 1999 meeting, [redacted] had a conversation with [redacted] at which [redacted] said that he [redacted] was having trouble finding minorities to BUY their stock. [redacted] said that although EMERALD was offering each point for \$1.5

b6
b7c

194B-CG-114999

Continuation of FD-302 of [redacted]

, On 5/3/2002 , Page

3

b6
b7C

million, it appeared that they would have to break up those points into smaller increments in order to sell the stock to minorities. [redacted] had no knowledge of how certain individuals became investors, but after he saw the list of investors in the casino, [redacted] had the feeling that Rosemont Mayor DONALD STEPHENS designated certain individuals to become owners of the casino.

[redacted] met STEPHENS on one occasion sometime in summer 1999, after the legislation had passed. [redacted] called STEPHENS' office and requested a meeting. He was granted a one-half hour meeting with STEPHENS. [redacted] explained his purpose was to obtain some business for a bus transportation company (GREATWAYS TRANSPORTATION) he owned at the time. When [redacted] got to the meeting, however, STEPHENS took up all the time telling [redacted] how he disliked their boat in East Dubuque, how he disliked the [redacted] and how he was going to put a much better boat with no parking to accommodate buses at his casino. In short, STEPHENS was not interested in what [redacted] had to say. [redacted] then tried to discuss real estate surrounding the casino location, but STEPHENS said that all the arrangements for that real estate had already been made. [redacted] felt he accomplished absolutely nothing at that meeting, but simply listened to STEPHENS vent.

b6
b7C

Since [redacted] sold his shares he has had limited contact with individuals involved in the casino and really could not provide any current information about it. [redacted] knew that [redacted] was social friends with [redacted] and they golfed together at the BOB O LINK GOLF CLUB. [redacted] never had any real substantive conversations with the [redacted] and always dealt through [redacted]

b6
b7C

[redacted] is described as follows:

b6
b7C

Race:

Sex:

Date of Birth:

Social Security Number:

Address:

Telephone:

Cell Phone:

Employment:

Telephone:

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription

06/04/2002

[redacted] was contacted and interviewed at his place of employment, [redacted] Cicero, Illinois. [redacted] was advised of the official identity of the interviewing Agent and the nature of the interview. [redacted] then provided the following information:

b6
b7C

[redacted] advised that he was an investor in the EAGLE RIDGE GOLF COURSE and was a longtime friend of fellow investor [redacted]. [redacted] was also an investor in HP INCORPORATED, which later became EMERALD CASINO INCORPORATED. [redacted] initially invested approximately \$500,000 in HP and later loaned HP approximately \$380,000 to keep it afloat. The casino ultimately failed and he is still owed money on that loan.

b6
b7C

[redacted] advised that in August 1999 he recalled attending a shareholders meeting at which all investors were advised of new legislation that allowed their East Dubuque casino to move, but also required that 20% of the casino be sold to minority investors. Investors were asked if they wanted to sell their shares back to HP so that those shares could be reissued to minority investors, thereby not too badly diluting all the other shareholders' stake in the casino. [redacted] declined at that time. After the August 1999 meeting, [redacted] received several phone calls from [redacted] asking if [redacted] was interested in selling his shares. Over the next couple months [redacted] went back and forth trying to decide if he should sell. [redacted] reasoned that he was getting up in age (he was at the time 70 years old) and did not want to wait any longer to profit on his initial investment. [redacted] reluctantly decided to sell and received approximately \$2 million (actually 1.797 million) for his initial \$500,000 investment.

b6
b7C

During the above period, [redacted] spoke only to [redacted] about the matter. [redacted] s group included [redacted]

b6
b7C

All these individuals invested through [redacted]. The only information [redacted] and to his knowledge the others too, got concerning HP was through [redacted]. At one point, [redacted] told [redacted] that time was running out and he would not have the opportunity to sell unless he acted. [redacted] insisted that he was not pressured in any way and it was solely his decision to sell.

Investigation on 5/29/2002 at Cicero, Illinois

File # 194B-CG-114999 -E-388

Date dictated 5/29/2002

by SA [redacted] mer

b6
b7C

194B-CG-114999

Continuation of FD-302 of [redacted]

, On 5/29/2002

, Page

2

b6
b7c

[redacted] never spoke with [redacted] concerning any business ventures to include HP/EMERALD CASINO. [redacted] probably talked about the casino with [redacted] on occasion, but could not recall any specifics concerning those conversations. [redacted] believed he was selling his shares back to EMERALD so that they could be reissued to the minorities, but knew he was selling to [redacted]. [redacted] considered [redacted] and EMERALD to be one in the same.

No one, not [redacted] ever told [redacted] that his shares were being purchased to replace those that [redacted] sold to other than minority investors. [redacted] was shown a list of investors [redacted] sold shares to immediately prior to purchasing [redacted]'s shares. [redacted] did not recognize any of the investors. [redacted] has never met Rosemont Mayor DONALD STEPHENS or State Representative [redacted] provided a copy of the stock purchase agreement evidencing his sale of shares to [redacted] and a November 5, 1999-letter from Attorneys [redacted] enclosing the \$1,797,822.08 check from [redacted] for the purchase of his stock.

b6
b7c

[redacted] is described as a white male, born [redacted]
[redacted] Social Security Account Number (SSAN) [redacted]
address [redacted] Chicago, Illinois, telephone [redacted]
[redacted]

b6
b7c

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/21/2002

[redacted] Certified Public Accountant, [redacted]

[redacted] Illinois, telephone number [redacted]

[redacted] was contacted at his place of employment. After being advised of the identity of the interviewing agents and the nature of the interview, [redacted] provide the following information:

[redacted] has been a CPA with [redacted] since 1987. He was made a non-equity partner in January of 2001. [redacted] obtained the Yale Material Handling account through a cold call in 2000. Yale was involved in a fee dispute with their accountant BDO Seidman, and [redacted] made a presentation to [redacted] of Yale, and secured the account.

Yale Material Handling of Illinois, Inc. (Yale) is in a licensing agreement with Yale National for all of Illinois. The company is owned by [redacted] and two other individuals.

[redacted] conducted an inventory observation and end of year audit of Yale for 2000. [redacted] was aware of Yale's January 2000 acquisition of O.G. Services and American Trade Show Services for approximately \$2,500,000. Yale financed the entire purchase with a loan through NMHG, the financial arm of Yale's parent company. Both of the companies were owned by [redacted]. The businesses rented fork lifts at McCormick Place. [redacted] was unaware Rosemont Mayor Donald Stephens was a part owner of American Trade Show Services or that O.G. Services derived substantially all of its revenue from the Village of Rosemont. [redacted] said no goodwill was recorded at the time of sale.

[redacted] reviewed his Yale work papers and noted a January 2000 entry in the fixed asset valuation account for "purchase of assets". The entry was as follows:

Account 18061-O.G. Lifts-\$1,906,450
Account 18071-O.G. Aerials-\$614,000

[redacted] s year end fixed asset reconciliation in December 2000 reflected the following in the accounts:

Investigation on 5/30/02 at Elgin, Illinois

File # 194B-CG -114999 *6-319*

Date dictated 6/6/02

SA [redacted] RPF:rpf
by SA [redacted]

179 RPFol. 300
This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

b6
b7Cb6
b7Cb6
b7C
b6
b7Cb6
b7Cb6
b7Cb6
b7C

194B-CG -114999

Continuation of FD-302 of [redacted]

, On 5/30/02

2

b6
b7C

Account 18061-O.G. Lifts-\$2,331,152
 Account 18071-O.G. Aerials-\$793,463

[redacted] attributed the increase in the assets to transfers in and substantial capital costs for the equipment. [redacted] said [redacted] always referred to the acquisition and the accounts as the O.G. accounts. [redacted] was unsure why the assets purchased from American Trade Show Services were not carried that way on Yale's books. He indicated that from an auditor's perspective it is not significant that they are not carried as two separate companies.

b6
b7C

[redacted] was aware that Yale gave [redacted] a lucrative sales and consulting contract as part as the overall purchase of his companies. [redacted]'s year 2000 1099 statement from Yale reflected \$414,000 in salary. Yale's trial balance work papers for 2000 provided by [redacted] reflected income to [redacted] of \$992,855 [redacted] said it appeared that [redacted] had an accrued liability to [redacted] set up at the end of 2000 for \$338,864. [redacted]'s year 2001 1099 statement reflected \$144,000 in salary. [redacted] may have also paid some commissions to [redacted] through his company, NSNAB. In any event, [redacted] noted that there appeared to be a discrepancy between [redacted]'s salary on Yale's books and the 1099's issued to him.

b6
b7C

[redacted] was very concerned about disclosing [redacted] salary as a footnote in Yale's financial statements. [redacted] position was that this was a material item and should be disclosed due to the lucrative consulting agreement and the large salary to one individual. [redacted] argued that one individual's salary should not be singled out. [redacted] persisted and [redacted]'s salary was not disclosed in a footnote but was entered with all other employee salaries.

b6
b7C

[redacted] said Yale had a very substantial increase in revenue in 2000 following the purchase of [redacted]'s companies. In 2001, revenue fell sharply and Yale had an over supply of forklifts as well substantial finance costs associated with the 2000 acquisition. In May 2001, Yale cancelled their contract with [redacted] and began the process to have [redacted] buyback the assets from the 2000 sale. [redacted] said that for some reason this did not occur and Yale and [redacted] continued to do business.

b6
b7C

194B-CG -114999

Continuation of FD-302 of

[redacted]

, On 5/30/02

, Page

3

b3
b6
b7c

[redacted] was served a federal grand jury subpoena for
records relating to [redacted]
[redacted]

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/25/2002

[redacted] was contacted and interviewed at his law office, [redacted] Floor, Chicago, Illinois. [redacted] was advised of the official identities of the interviewing agents and the nature of the interview. [redacted] then provided the following information:

[redacted] was one of the original owners of HP INCORPORATED, the parent company of the SILVER EAGLE CASINO in East Dubuque, Illinois. [redacted] became an investor along with his partners in the EAGLE RIDGE RESORT in Galena, Illinois. Those investors included [redacted]

[redacted] recalled the August 1999, HP shareholders meeting at which [redacted] told those investors present about the new legislation that allowed the casino to move from East Dubuque. The legislation required 20 percent of the casino's shares to be sold to minority investors. [redacted] wanted [redacted] and his group to sell their shares so the sale of 20 percent to minority shareholders would not dilute the remaining shareholders' stock. [redacted] discussed the matter with the members of his group and they decided that it was in their best interest to sell. [redacted] handled the transactions through his law firm. [redacted] sold some of his stock, but maintained a 2 percent ownership share.



[redacted] knows [redacted] quite well as they both served together on the board of directors of Waste Management. [redacted] has known [redacted] since he was a child. [redacted] described [redacted] as a good business man and devoted father, but someone who had some troubled teenage years and was an emotional, stubborn individual. When [redacted] became [redacted] of EMERALD CASINO, he ran the show, but he always listened and deferred to his father in business matters.

[redacted] believed that the stock he and his group sold was resold to minority investors. [redacted] expressed surprise when told that the stock he and his group sold to [redacted] allowed [redacted] to regain his majority ownership position in EMERALD. [redacted] did not know that those shares replaced shares [redacted] sold to twelve non minority investors earlier that month. [redacted]

Investigation on 6/19/2002 at Chicago, IllinoisFile # 194B-CG-114999-E - 321by SA
SAcjcDate dictated 6/21/2002MJ
2/02

194B-CG-114999

Continuation of FD-302 of [redacted]

, On 6/19/2002

2

b6
b7C

stated this was the first time he had heard that. [redacted] was asked if he knew any of the twelve individuals [redacted] sold stock to in September 1999. [redacted] stated that he did not know who they were, but that if he was told the names he would advise if he knew them. [redacted] was read the list of names:

[redacted]

[redacted] answered no to each name, save [redacted] whom he knows socially. [redacted] did not know that [redacted] was an investor in the casino until he read it in the newspaper in late 1999. [redacted] did not have any conversation with [redacted] about the sale of any stock other than his and his group's.

[redacted] introduced one individual to [redacted] who wanted to buy stock in the casino. [redacted] introduced Chicago area socialite [redacted] but she was not accepted by [redacted] as an investor. [redacted] does not know why she was not allowed to invest. [redacted] was never told by anyone that Rosemont Mayor DONALD STEPHENS required that shares of stock be sold to individuals of his choosing.

[redacted] met STEPHENS on two occasions. Several years ago STEPHENS requested to see [redacted] because STEPHENS wanted to exchange property that [redacted] s company, EXTENDED STAY AMERICA, owned. [redacted] could not recall the details, however, advised that EXTENDED STAY owned property (location unrecalled) that STEPHENS wanted and offered to trade property with [redacted]

[redacted] conferred with other executives at EXTENDED STAY and ultimately decided not to make the property exchange. [redacted] thought that STEPHENS wanted the property to store municipal trucks and other equipment. The other time [redacted] met STEPHENS was when he attended a \$500 fund raiser shortly after it was announced that the casino would move to Rosemont. [redacted]

[redacted] described that meeting as cordial and uneventful. Recently, [redacted] received a solicitation from STEPHENS' campaign committee and he sent another \$500 contribution. This time, however, the contribution was sent back to [redacted] with either a note or a phone call which indicated that they were not interested in

b6
b7Cb6
b7Cb6
b7Cb6
b7C

194B-CG-114999

Continuation of FD-302 of [redacted]

, On 6/19/2002

3

b6
b7C

accepting contributions from [redacted] was not sure of the reasoning behind that decision.

[redacted] was in contact with EMERALD Attorney [redacted] [redacted] and was aware of both the previous and current settlement proposals presented to the Illinois Gaming Board. [redacted] explained the details of the latest proposal, most notably that no investors would reap any profit and that the [redacted] and [redacted] would not draw their salary for the past three years. [redacted] believed the latest proposal met all the requirements insisted on by Illinois Attorney General JIM RYAN, but he was still doubtful that RYAN would approve the proposal. [redacted] believed RYAN's stance was purely political and did not serve the state well.

b6
b7C

[redacted] is described as follows:

Sex:
Race:
DOB:
SSAN:
Home Address:

Telephone:
Occupation:

Telephone

b6
b7C

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/24/2002

A Source who is not in a position to testify advised as follows:

[Redacted]

b6
b7C
b7D

Investigation on 6/21/02 at Cook County, Illinois

File # 1A-11 : 194B-CG-114999 SUB E Date dictated 6/24/02

by SA /cjc

NW
7/24/02
b7D
b6
b7C

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/24/2002

A Source who is not in a position to testify advised as follows:

b6
b7C
b7DInvestigation on 6/21/02 at Cook County, IllinoisFile # 194B-CG-114999 SUB E-323 Date dictated 6/24/02by SA cjc

NPA-2
This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

b7D
b6
b7C*175JPK12.300*

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/18/2002

A source, who is in a position to testify, provided the following information:



(b6)
(b7C)
(b7D)

Investigation on 3/14/02 at Chicago, Illinois NRA 077ATH06.332
File # 194B-CG-114999 Date dictated 3/18/02
by SA ATH/ath Sub E 332 PM
CC-1

b6
b7C
b6
b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/21/2002

SOURCE, who is in a position to testify, voluntarily provided the following information.

[Redacted]

b6
b7C
b7D

Investigation on 03/21/02 at Glendale Heights, Il.

File # 94B-CG-114999 Date dictated 03/21/02
by SA Sub E-334

b7D
b6
b7C

11

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/08/2002

Date of Birth (DOB) [redacted] Social
Security Account Number (SSAN) [redacted] residing at [redacted]
[redacted], Illinois 60010, [redacted] was re-
interviewed in the law offices of MAYER BROWN AND PRATT, 190 South
LaSalle Street, Chicago, Illinois 60603, in the presence of
Attorney [redacted]. After being advised of the nature of
the investigation and the purpose of the second interview, [redacted]
provided the following information:

b6
b7C
b7Db6
b7C
b7D

Investigation on 6/24/2002 at Chicago, Illinois

pj File # 194B-CG-114999 SUB E-338 Date dictated 6/25/2002
by SA [redacted] MER

b6
b7C

- 1 -

FEDERAL BUREAU OF INVESTIGATION

b6
b7C
b7D

Date of transcription

7/20/01

A former cooperating witness (CW) voluntarily provided the following information:

194B/cg 114999 Sub E - 340

26 NRA SA

Investigation on 7/19/01 at Chicago, Illinois (telephonic)

File # (Closed), 281A-CG-110121-SS Date dictated 7/20/01

by SA mnc

b6
b7C

b7D

b6
b7C

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/19/2001

[REDACTED] stated that Mayor STEPHENS is friends with [REDACTED] just as the paper indicated, however, [REDACTED] stated that the Mayor does not "wine and dine" [REDACTED] and his associates, but is simply friendly with [REDACTED] and his associates. [REDACTED] also stated that the Mayor all but guarantees that Rosemont will get a gambling boat, but not until there are some changes made with some of the investors/partners. [REDACTED] stated that some of the investors will need to be "filtered out" of the deal.

b6
b7c

Mayor STEPHENS son is a partner in a cleaning company, with an Italian male. The cleaning company has the contract to clean the convention center in Rosemont.

*[Handwritten signature]**Copy: 194B/cg-114999 sub E - 341*

NRA SA

*Y66L*b6
b7c*87**398**201 case #3. 302*Investigation on 07/18/2001 at Arlington Heights, ILFile # [REDACTED] 281A-CG-95595-SS Date dictated 07/19/2001by [REDACTED] :cac *VJW/JL*b7D
b6
b7C

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/18/2002

Source, who is not in a position to testify, provided the following information:

[Redacted area]

b6
b7C
b7D

19

348

NRA Investigation on 4/10/2002 at Rolling Meadows, Illinois

File # 194B-CG-114999 SUB E Date dictated 4/11/2002

pbv by SA mer

b7D
b6
b7C

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/31/2002

[redacted] was interviewed at the offices of his attorney, [redacted] Chicago, Illinois, telephone [redacted] was advised of the official identity of the interviewing agents and the nature of the interview. [redacted] then provided the following information:

[redacted] advised that he was a member of the ILLINOIS GAMING BOARD (IGB) from June 2001, to April 8, 2002. [redacted] was first contacted about the appointment by [redacted] a woman he knew previously as he had employed her as a consultant for [redacted] S from approximately 1995 until [redacted] left [redacted] S in 1998. He knew that SAFEWAY, who bought [redacted] continued to employ [redacted] as a consultant. [redacted] was a registered lobbyist who assisted [redacted] S in three ways. First, [redacted] lobbied the ILLINOIS DEPARTMENT OF TRANSPORTATION (IDOT) on [redacted] S behalf regarding the installation of stop lights at various shopping center locations throughout Illinois. Secondly, [redacted] assisted [redacted] S in their philanthropic endeavors by identifying worthy community organizations where [redacted] had stores, as [redacted] S routinely made such contributions. Finally, [redacted] worked on various governmental affairs matters. Those matters including lobbying the state against certain shopping center related state income taxes, and site locations for stores in the Chicago area. [redacted] S initially entered into a two year consulting contract with several extensions. [redacted] was paid \$5,000 per month. [redacted] was not expected to and did not produce any written materials.

[redacted] knew that [redacted] was previously employed with IDOT and with the administrations of former Governors [redacted] and therefore, she had many contacts in state government. [redacted] was first introduced to [redacted] by [redacted] a lobbyist from California who worked for PLATINUM ADVISORS.

[redacted] called [redacted] in May, 2001, and advised him that his name had been submitted to Governor RYAN as a possible IGB member. [redacted] told [redacted] the governor wanted business people on the board and that his name was one of several submitted to the governor for consideration. [redacted] stated that there was no discussion as to the relevant issues before the board at that time or what voting position [redacted] should take if he was appointed to the board. [redacted] knew

Investigation on 07/24/2002 at Chicago, Illinois

File # 194B-CG-114999-E -349
 SA [redacted] CJC
 by SA [redacted] PFC

Date dictated 7/26/2002

b6
b7Cb6
b7Cb6
b7Cb6
b7Cb6
b7C

194B-CG-114999-E

Continuation of FD-302 of [redacted]

, On 07/24/2002 , Page 2

b6
b7C

at that time that [redacted] was a lobbyist for the Village of Rosemont, and a friend of Rosemont Mayor DONALD STEPHENS, however, there was no discussion about Rosemont. [redacted] was also aware through newspaper reports that [redacted] was an investor in the EMERALD CASINO, but nothing about her status as an investor was discussed. [redacted] did not mention any of the other individuals being considered for the position.

Approximately three to five days after [redacted] call, [redacted] received a telephone call from [redacted]

b6
b7C

[redacted] had a lengthy discussion concerning duties of a gaming board member, how interested [redacted] was in the position, and any possible conflicts of interest. Nothing in that conversation resulted in [redacted]'s elimination from consideration and shortly thereafter, he filled out a detailed disclosure form at the request of the governor's office. [redacted] recalled that several of his references were contacted by state police officers who conducted his background investigation. Approximately three weeks later, [redacted] was contacted by [redacted] the Public Relations Director for the Governor and advised that he would be appointed and that a press release announcing that appointment would be made later that day.

After getting the appointment, [redacted] disclosed his relationship with [redacted] to IGB attorneys [redacted] [redacted] who then spent over an hour quizzing [redacted] about the relationship. After that session, they indicated there would be no conflict of interest concerning that relationship. After the first IGB meeting, [redacted] was told by staff that the FEDERAL BUREAU OF INVESTIGATION (FBI) was investigating the EMERALD CASINO matter. Moreover, he was asked to sign a non-disclosure order from Federal Judge ASPEN that required he not discuss any aspect of the EMERALD CASINO matter or the investigation with anyone outside IGB meetings. [redacted] advised that [redacted] attempted to contact him once by telephone after his appointment, but he did not return her telephone call. The call from [redacted] came in January or February 2002, immediately after a proposal was presented to the IGB from EMERALD CASINO concerning settlement and merger with MGM GRAND.

b6
b7C

[redacted] advised that when he first got on the board the administrator was [redacted]. Near the end of 2001, the board agreed that there would be no settlement discussions with EMERALD and that the administrative hearing in which EMERALD appealed their license denial would be allowed to proceed. In November 2001, [redacted] resigned and new Administrator [redacted] was appointed by Governor RYAN. Suddenly, in January 2002, [redacted] and the other board members became aware of a proposed agreement in the EMERALD CASINO

b6
b7C

194B-CG-114999-E

Continuation of FD-302 of [redacted]

, On 07/24/2002 , Page

3

b6
b7c

matter. [redacted] explained that one day a large envelope containing a proposed agreement ready for his signature was delivered to his home. [redacted] was very surprised because at the November meeting the board agreed that since there was a new administrator, it would take time for him to get up to speed on the EMERALD CASINO matter, and there should be no negotiations. Next thing [redacted] knew, there was a proposed agreement ready for his signature delivered to his house. Around this same time, [redacted] received a telephone message from [redacted] "The boss said this was important," referring to the upcoming vote on the proposed agreement. [redacted] inferred "the boss" to be Governor RYAN. [redacted] did not return the call. [redacted] became so overwhelmed by the gaming board issues and his discomfort with the process was so great that he retained Attorney [redacted]. [redacted] discussed many issues with [redacted] while he was a board member.

[redacted] was distressed that the new Administrator, [redacted] appeared to be lobbying the gaming board members to sign the proposed agreement. Specifically, [redacted] told [redacted] personally that the deal was good for the state and good economically for everyone involved. He said [redacted] should approve the proposed settlement agreement. [redacted] told [redacted] that the entire process was flawed, in that the [redacted] failed to give the board notice of their proposed merger with MGM GRAND and that there was no way [redacted] was going to approve any settlement before a complete airing of the facts surrounding the matter.

b6
b7c

[redacted] was completely against individuals with organized crime ties profiting in the settlement. [redacted] felt the settlement was a one thousand pound boulder rolling down hill. His objective was to derail the process until he could figure out why the settlement was being shoved down the throats of the gaming board members. [redacted] was very uncomfortable with Administrator [redacted] for a number of reasons. First, under Administrator [redacted] legal staff was very involved in the decision making process and at all the board meetings. Once [redacted] became administrator, he shut out the staff and they had a great deal less input into decision making and at board meetings. [redacted] felt this was not a good change. He always enjoyed hearing staff's opinions and felt better decisions were made after considering the input of the talented legal staff. The only individual [redacted] confided in, and took advise from, was Chief Counsel [redacted]. [redacted] was selected as Chief Counsel by [redacted] despite the board's feeling that they should select the Chief Counsel.

b6
b7c

[redacted] generally got along very well with Chief Counsel [redacted] however, on one occasion [redacted] confronted [redacted] and

b6
b7c

194B-CG-114999-E

Continuation of FD-302 of [redacted]

, On 07/24/2002 , Page 4

b6
b7C

accused him of providing information to the FBI. [redacted] explained that after the FBI served the IGB with a subpoena in March 2002, requesting telephone logs and various other documents, [redacted] accused [redacted] of providing information to the FBI. [redacted] believed [redacted] was doing this because two to three weeks prior, [redacted] suggested to [redacted] and the rest of the legal staff that they document their phone calls and contacts with Springfield officials or anybody else in regard to the EMERALD matter. Once the subpoena called for telephone records, [redacted] was certain [redacted] provided information to the FBI. [redacted] denied providing any information to the FBI, but was concerned with [redacted]'s apparent attempt to impede the investigation by suggesting that board members or staff should not provide information to the FBI.

[redacted] further explained the efforts [redacted] made to lobby him concerning voting for the proposed settlement merger agreement in January 2001. In a phone conversation about the settlement proposal, [redacted] told [redacted] that he was counting votes for the proposal and wanted to know if he could count [redacted] vote. When [redacted] asked why it was such a good proposal, [redacted] said that he was able to negotiate a 300 plus million dollar settlement for the State of Illinois that would greatly help the current budget crunch. [redacted] added that any problems [redacted] had with the location of Rosemont were easily overcome through additional regulation. [redacted] opinion was that if the gaming board needed five million more dollars to police the location of Rosemont, it was not such a good location. After the board received all the information from the staff concerning the location of the Rosemont, [redacted] had very serious concerns about organized crime involvement and was steadfastly against placing the casino in Rosemont. [redacted] took his duties and responsibilities as a gaming board member very seriously. He felt that the number one duty of the gaming board was to protect the integrity of gaming. He did not believe that the integrity of gaming would be protected by putting a casino in Rosemont.

b6
b7C

About the opinions of the other board members, [redacted] stated that Judge BARRY was neutral concerning the EMERALD settlement proposal; [redacted] was in favor of it, but was somewhat skeptical about some of the warts exposed in the proposal; [redacted] wanted the settlement done and cited state budget problems as his motivating issue. [redacted] disagreed with that motivation, again stating that the integrity of gaming should be the number one issue and budgetary problems should take a back seat. [redacted] attitude changed somewhat when the Attorney General got involved. [redacted] slowly started to pull back from his staunch support for the proposal.

b6
b7C

194B-CG-114999-E

Continuation of FD-302 of [redacted]

, On 07/24/2002 , Page 5

b6
b7C

[redacted] explained that when he became aware that the staff attorneys at the IGB were designated Special Assistant Attorneys General for the state, he realized that the AG's office was the ultimate attorney for the board and should approve any settlement. Consequently, [redacted] requested that IGB Chief Counsel [redacted] contact the Attorney General and have representatives attend board meetings at which proposals were presented. [redacted] initially balked at this request, so [redacted] called the AG's office and had representatives attend the next board meeting. That board meeting was the one at which Administrator [redacted] gave the presentation about Rosemont.

[redacted] described that presentation as biased. It was obvious to [redacted] that [redacted] had an agenda. [redacted] took the side of Rosemont and argued against any negative information or inference concerning Rosemont's suitability to host the casino. [redacted] found it distressing that other than [redacted] no other staff member spoke out at the meeting. [redacted] felt that the staff was intimidated by [redacted] and would not give their opinions. [redacted] praised [redacted] for speaking out and setting the record straight in areas where [redacted] tended to provide the board with biased information. As an example, [redacted] tended to down play Rosemont Mayor DON STEPHENS' association with known organized crime figures. [redacted] presented information concerning Mayor STEPHENS' frequent meetings with [redacted] [redacted] at a Rosemont health club. [redacted] insisted that it was simply coincidence that STEPHENS and [redacted] worked out at the same club, despite evidence presented by [redacted] that these meetings occurred on numerous occasions over a long period of time. [redacted] became convinced that STEPHENS had organized crime affiliations, that [redacted] was an apologist for Rosemont, and that [redacted] s information could not be trusted.

b6
b7C

[redacted] advised that after the FBI interviewed [redacted] it came to light that [redacted] met with [redacted] Attorney for the Village of Rosemont, soon after [redacted] was named Administrator. [redacted] felt that meeting was totally inappropriate as Rosemont had no standing in the settlement negotiations between the IGB and EMERALD. [redacted] felt that [redacted] hid the [redacted] meeting from the board. [redacted] suggested to IGB Chairman [redacted] that [redacted] should be fired, but [redacted] did not feel that was necessary. [redacted] was also upset with [redacted] for continuing to talk to media outlets, particularly the CHICAGO SUN-TIMES, after being instructed by the board not to release information about the EMERALD CASINO matter. [redacted] felt that [redacted] defied specific board instructions not to make statements to the media. Finally, [redacted] felt that it was completely inappropriate that in spring 2002, [redacted] took a vacation to Las Vegas. [redacted] wanted to

b6
b7C

194B-CG-114999-E

Continuation of FD-302 of [redacted]

, On 07/24/2002 , Page 6

b6
b7c

question [redacted] concerning who he met with in Vegas and if he was comped anything by MGM GRAND. Chairman [redacted] did not want to confront [redacted] on the issue and it died. [redacted] described [redacted] as non-confrontational and one who avoided most battles, carefully selecting only major ones for a stand. Overall, [redacted] praised [redacted] as chairman, but thought that he could have been tougher with [redacted]

[redacted] advised that on one other occasion in January or February 2002, he received a telephone call concerning his activities on the board. [redacted] received a telephone call and message from one of his [redacted]'s former employees, [redacted] who now works for a state government agency that handles women's issues. [redacted] left the message that the upcoming vote on the first EMERALD/MGM GRAND settlement and merger was a very important vote, implying to [redacted] that he should vote in favor of the agreement. [redacted] explained that [redacted] was a friend of [redacted] the secretary to [redacted] [redacted]'s wife and the sister of [redacted] returned the call to [redacted] telling her she should not allow herself to be placed in the middle and he would not receive any more messages from her. Further, [redacted] told [redacted] that if anyone else had a message to pass along to him they should call him directly. [redacted] apologized and said she would not contact him again. She never did.

b6
b7c

In trying to figure out why he was selected to the board, [redacted] identified one area that someone may have thought could have influenced him to vote a particular way concerning the casino. [redacted] explained that approximately a year before he was appointed to the board, he was negotiating the acquisition of [redacted]. One of the participants in that deal was [redacted] of JEFFRIES COMPANY. Despite initially backing the acquisition, [redacted] reneged on the deal and it fell through. Shortly after [redacted] was appointed to the IGB, miraculously the deal was resurrected. [redacted] received a call from [redacted] representatives in California who said the deal was on again. [redacted] who was unaware of the [redacted] connection at the time, set out to find out why the deal was suddenly resurrected. In [redacted]'s discussions with [redacted] she told him about the involvement of [redacted] with the EMERALD CASINO/MGM GRAND merger proposal. [redacted] suddenly realized that [redacted] was working on both deals and felt that someone was trying to compromise him. [redacted] sent a letter to [redacted] in California indicating he had no interest in acquiring their company and immediately reported all this information to [redacted] and the gaming board. [redacted] advised that because of his prior dealings with [redacted] and because of what he felt was an inappropriate attempt to influence

b6
b7c

194B-CG-114999-E

Continuation of FD-302 of [redacted]

, On 07/24/2002 , Page 7

b6
b7C

him. he has great suspicions about [redacted] and the entire process as it relates to the EMERALD CASINO.

In December 2001, [redacted] began working with [redacted] an equity company, on the acquisition of the ROUNDY'S SUPERMARKET chain. [redacted] had not had any full time employment since he left [redacted] S in 1998, and felt that he needed a new challenge. In April 2002, the acquisition went through and he resigned from the IGB. He felt he could not commit full time to running ROUNDY'S in Milwaukee, Wisconsin, while fulfilling his duties on the gaming board.

After he left the board, [redacted] received a telephone call from [redacted] who wanted to talk about the EMERALD CASINO matter. [redacted] rebuffed her and said he did not want to talk about it. [redacted] insisted, citing their friendship, but [redacted] insisted they were not friends and he did not want to talk to her again. He has not spoken to her since.

Once when [redacted] was with [redacted] called him and said that Mayor DONALD STEPHENS wanted to put a DOMINICK'S in Rosemont and provided [redacted] with a location. [redacted] turned the information over to his staff, who decided the location was not of interest to the company. [redacted] told [redacted] of DOMINICK'S disinterest, and he never met with STEPHENS concerning the proposal. [redacted] has never been asked to nor has he ever contributed to Mayor STEPHENS' campaign funds. [redacted] did not know any of the other EMERALD CASINO investors, save [redacted] with whom he had some dealings when [redacted] was with [redacted]

[redacted] had severe misgivings about investors [redacted] and [redacted] said the reputation of the [redacted] in the grocery industry was that their FAIR SHARE FINER FOODS in Oak Park was associated with organized crime, specifically the 26th Street Crew. [redacted] also had severe misgivings about investor [redacted] knew [redacted] to be an ex-state worker and close friend of State Representative [redacted] wondered where [redacted] came up with the money to invest in the casino. Likewise, [redacted] questioned where [redacted] an ex-state government worker turned consultant could come up with the money to invest. Other than DOMINICK'S and the Village of Rosemont, [redacted] knew of no other clients of [redacted] consulting firm.

Finally, [redacted] advised that he has some question as to [redacted] s associations. [redacted] interviewed him for the Administrator's position. At that interview, [redacted] explained that

b6
b7Cb6
b7Cb6
b7Cb6
b7Cb6
b7C

194B-CG-114999-E

Continuation of FD-302 of [redacted]

, On 07/24/2002, Page 8

b6
b7c

he worked for DOMINICK'S many years ago as a kid. Additionally, [redacted] spoke of his experience in the grocery business at a store near the Fulton Street market in Chicago. When [redacted] asked about holding a union card, [redacted] said he never had one. [redacted] stated that at that time in that area in Chicago everyone working in the grocery industry was union, or else they were sponsored in by a mob connection. [redacted] denied it, but [redacted] has his suspicions.

[redacted] is described as follows:

b6
b7c

Sex:
Race:
DOB:
SSAN:
Address:

Telephone:
Occupation:

Telephone:



- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/23/2002

On this date, [redacted] having been previously identified, was interviewed. After being advised as to the nature of the interview and the identity of the interviewing agents, [redacted] provided the following information:

b6
b7C

[redacted] first initiated contact with Rosemont in approximately 1995, regarding their Employee Benefit insurance. [redacted] stated that he cold-called the Village of Rosemont (VOR) village offices and finally spoke with [redacted] the [redacted] for the village. [redacted] told [redacted] how much the VOR could save by switching to Near North (NN). [redacted] estimated that he could save the VOR between seventy and eighty thousand a year. [redacted] was reluctant to switch, however, noting that the insurance contract had recently been switched to the current carrier.

b6
b7C

[redacted] was shown a copy of an e-mail which had been sent from [redacted] originally from [redacted] to himself and then forwarded to [redacted] (Exhibit 1). [redacted] reviewed the email and stated that Rosemont's insurance had been mentioned to [redacted] because [redacted] had been doing some legal work for the VOR. [redacted] was also close to [redacted] thought [redacted] might be able to help NN obtain the contract.

b6
b7C

[redacted] was eventually able to persuade the VOR to put the Employee Benefits insurance out to bid in 1997 and NN eventually won the contract. The final NN contract saved the VOR approximately \$150,000 in administrative fees.

b6
b7C

[redacted] is a consultant who was hired by NN to help obtain insurance contracts. [redacted] was contacted about helping NN obtain the insurance contract at Rosemont. Initially, [redacted] indicated that she had a conflict-of-interest as she was receiving consulting fees from both Rosemont and NN at the time. [redacted] did become involved, however, and after the contract was awarded to NN, [redacted] wanted to claim all of the credit. [redacted] claimed that it was her relationship with Mayor Stephens that got NN the contract. [redacted] thought that he had met with [redacted] one or two times before [redacted] became involved.

b6
b7C224 RLKB1.302Investigation on 07/12/02 at Chicago, IllinoisFile # 194B-CG-116706 194B-CG-114999-E 350 Date dictated 07/13/02by SA SAb6
b7C

194B-CG-116706, 194B-CG-114999 E

Continuation of FD-302 of [redacted]

, On 07/12/02 , Page

2

b6
b7C

[redacted] was also on the Chicago Transit Authority (CTA) Board at the same time she was a paid NN consultant. NN won a CTA wrap-up insurance contract during this time, but [redacted] did not know the details. [redacted] had heard something about [redacted] not declaring her NN affiliation to the CTA as required.

[redacted] was hired by [redacted] for her contacts, as she previously was employed in both former [redacted] [redacted]'s offices. On several occasions, [redacted] heard NN's [redacted] [redacted] complaining that [redacted] was paid \$5,000 a month, but NN received nothing of value. [redacted] however, talked to [redacted] daily and considered her his eyes and ears on the street. [redacted] felt he was getting his money's worth. [redacted] knew of no business, other than Rosemont, that [redacted] brought to NN.

[redacted] explained that [redacted] was the head of the Public Entity Group at NN. This was a group of insurance producers who were focused on obtaining the insurance contracts of local governments. It was just by coincidence that [redacted] was starting the Public Entity Group as [redacted] was attempting to get Rosemont's Employee Benefits contract. [redacted] was not in the Public Entity Group.

[redacted] also knew that [redacted] was good friends with one of the VOR Trustees, [redacted] thought that [redacted] and [redacted] had gone to high school together at St. Pat's on the northwest side of Chicago. [redacted] talked about [redacted] often and [redacted] knew that [redacted] was helping [redacted] with the Property and Casualty contract in Rosemont, but [redacted] did not know if [redacted] was being paid for his efforts.

[redacted] also met [redacted] once at a golf outing and the insurance contract was briefly discussed. [redacted] was introduced to [redacted] by [redacted] a producer with another insurance company. After being introduced and told that [redacted] was hoping to be able to bid on the Employee benefit insurance, [redacted] replied that he [redacted] is the one that [redacted] needs to talk to as he is the decision maker.

[redacted] s involvement in the VOR was limited to the Employee Benefit contract. [redacted] did not have any involvement in NN obtaining the Property and Casualty contact with the VOR in 1998. [redacted] did talk to [redacted] about it occasionally, however.

b6
b7Cb6
b7Cb6
b7Cb6
b7Cb6
b7C

194B-CG-116706, 194B-CG-114999 E

Continuation of FD-302 of [redacted]

, On 07/12/02 , Page 3

b6
b7C

[redacted] was shown a copy of an email from [redacted] to Segal dated June 29, 1998 (Exhibit 7) one dated June 30, 1998 (Exhibit 8) and asked if he knew anything about it. [redacted] did not know any specifics about the email, but stated that NN gave contributions to many political candidates. There was a database of contributions in NN's Lotus Notes database that had a list of all contributions NN made.

[redacted] also stated that NN obtained the Rosemont casino wrap-up insurance contract because of the many connections NN had with the various casino players. [redacted] is an NN producer, whose father was [redacted] of Waste Management and close to [redacted]. NN insured Discovery Zone and wrote the personal lines insurance for the [redacted] family.

NN's other angle was that NN California wrote the insurance for potential casino developer [redacted] had heard that [redacted] steered the [redacted] business to NN through [redacted] came looking for a commission after that deal went through, but [redacted] refused to pay him.

Finally, NN employed [redacted] who was connected to Rosemont, and [redacted] was a good friend of Rosemont Trustee Jack [redacted] credited [redacted] with assisting in influencing Mayor Stephens on NN's behalf. Because of all these connections, [redacted] said that it was not surprising that NN got the casino wrap-up.

b6
b7Cb6
b7Cb6
b7C

Exhibit 1

ComposedDate: 02/20/97 05:38:43 PM
DeliveryPriority: N
DeliveryReport: B
Subject: FYI
SendTo: [REDACTED]@NNNG
CopyTo:
From: CN=[REDACTED]/OU=NNIB/O=NNNG
PostedDate: 02/20/97 05:39:05 PM
RouteServers: CN=NNIB_CH1/OU=NNIB/O=NNNG
RouteTimes: 02/20/97 05:38:43 PM-02/20/97 05:39:06 PM
DeliveredDate: 02/20/97 05:39:06 PM
FromCategories:
Categories:
\$Revisions:
\$UpdatedBy: CN=[REDACTED]/OU=NNIB/O=NNNG

b6
b7C

To: [REDACTED] @ Near North Insurance Brokerage
cc:
From: [REDACTED] Near North Insurance Brokerage
Date: 09/05/95 10:53:15 AM
Subject:

COPY OF MEMO SENT TO [REDACTED]

I wondered if you had an opportunity to think futher about our communication with attempting communication with respect to representing ourself with the Village of Rosemont. [REDACTED] of our office seems to feel that you would save between 70 and 80 thousand dollars for their medical program which comes up for renewal on October 1.

MS/dp

Exhibit 2

PostedDate: 07/16/97 11:12:16 AM
Recipients: [REDACTED] @ NNNG [REDACTED] @ NNNG
From: CN-[REDACTED]OU=NNIB/O=NNNG
ComposedDate: 07/16/97 10:59:17 AM
DeliveryPriority: N
DeliveryReport: B
SendTo: [REDACTED]
CopyTo: [REDACTED]
BlindCopyTo:
Subject: Re: Village of Rosemont 10/1
DisplaySubject: Re: Village of Rosemont 10/1
ReturnReceipt:
Categories:
\$UpdatedBy: CN-[REDACTED]OU=NNIB/O=NNNG

b6
b7C

The captioned program is a benefits program and I've deferred this to [REDACTED]
[REDACTED] in that it was his idea originally. [REDACTED] is working with the CFO
[REDACTED] and is quite confident that he can save the village a substantial
amount of money by utilizing a local market and TPA.

By way of this memo I am asking [REDACTED] to give you more details in regard to
the specifics of our proposal, the decision making timeline and revenue
size.

To: [REDACTED]
cc:
From: [REDACTED]NNIB/NNNG
Date: 07/16/97 08:11:47 AM
Subject: Village of Rosemont

[REDACTED] indicated to me that we were working on a proposal for
Rosemont. She also recommended that I talk to [REDACTED] to put a good
word in. [REDACTED] was agreeable. Can you tell me the background of this
particular type of business? When is the decision going to be made?

MS/dp

Exhibit 3

PostedDate: 09/15/97 09:24:39 AM
Recipients: [REDACTED] @ NNNG
From: CN[REDACTED]OU=NNIB/O=NNNG
ComposedDate: 09/15/97 09:05:10 AM
DeliveryPriority: N
DeliveryReport: B
SendTo: [REDACTED]
CopyTo:
BlindCopyTo:
Subject: Re: Rosemont
DisplaySubject: Re: Rosemont
ReturnReceipt:
Categories:
\$UpdatedBy: CN[REDACTED]OU=NNIB/O=NNNG

b6
b7C

FYI, I spent the afternoon at Mayor Stephens summer house in Delevan yesterday afternoon. He threw a fundraiser for [REDACTED] (\$250).

I believe we should continue to expand our relationship with these folks. I have known [REDACTED] an influential trustee for years and am becoming very friendly with [REDACTED]. I thanked them for their recent benefits business.

It appears as if [REDACTED] the son calls most of the day to day shots. I know he made a call before he awarded us the benefits to [REDACTED] the village manager of Elmwood Park inquiring into our abilities and alliance to the Democratic Party. [REDACTED] assured him we were competent, bipartisan, and loyal.

I realize [REDACTED] has a good relationship here with the Mayor but has another conflict of interest. I also realize that we are working through [REDACTED] for the future people mover. I still believe we are just scratching the surface of other future opportunities.

To: [REDACTED]
cc: [REDACTED]
From: [REDACTED]NNIB/NNNG
Date: 09/02/97 11:22:56 AM
Subject: Rosemont Employee Benefits

I received word that they are going to call both bidders in, ourselves and the other party, and ask them to sharpen their pencils.

I do not know what this means, but I think we have to not rely on our relationship in total with Stevens because we do not know how helpful he is going to be.

If there is some value added or additional twist, do whatever we can to get the business.

MS/mm

Exhibit 4

PostedDate: 03/06/98 10:31:41 AM
Recipients: [REDACTED] @ NNNG [REDACTED] @ NNNG
From: CN-[REDACTED] OU=NNIB/O=NNNG
ComposedDate: 03/06/98 10:11:56 AM
DeliveryPriority: N
DeliveryReport: B
SendTo: [REDACTED]
CopyTo:
BlindCopyTo:
Subject: Casino Queen 5/1 & Sportsman
ReturnReceipt:
Categories:
\$UpdatedBy: CN-[REDACTED] OU=NNIB/O=NNNG

b6
b7C

A close friend [REDACTED] is bringing me in to see [REDACTED] this month regarding the captioned he is their consultant. Per [REDACTED] the captioned boat is with [REDACTED] and the connection is [REDACTED] and [REDACTED]. My friend said he is not worried about that if we can save them money we will have an opportunity to compete via his relationship.

Please advise if there was any relationship problems when we lost Sportsman. My understanding was this was a [REDACTED] account.

[REDACTED] is a trustee for the Village of Rosemont and is confidentially bringing OTB to Rosemont for the above gentleman. [REDACTED] was [REDACTED]

I would prefer not to involve [REDACTED] with any of the above if possible. Thanks

Exhibit 5

PostedDate: 06/04/98 11:08:07 AM
Recipients: [REDACTED] @ NNNG, [REDACTED] @ NNNG, [REDACTED] @ NNNG
From: CN=[REDACTED]/OU=NNIB/O=NNNG
ComposedDate: 06/04/98 10:49:23 AM
DeliveryPriority: N
DeliveryReport: B
SendTo: [REDACTED]
CopyTo: [REDACTED]
BlindCopyTo: [REDACTED]
Subject: Village of Rosemont P&C 10/1 or 12/1?
ReturnReceipt:
Categories:
\$UpdatedBy: CN=[REDACTED] OU=NNIB/O=NNNG

b6
b7C

This correspondence is to confirm that I have a meeting scheduled with the captioned CFO for 6/16. He is not sure if the village will be putting the captioned out for bid.

I've already spoken with [REDACTED]. She wants me to initiate the captioned before she says anything to the Mayor.

I will also contact my friend influential Village Trustee [REDACTED]

I am confident that we will be able to convince him to put this out to bid with the market being so soft.

I will keep you advised of the intelligence I gather on the 16th.

Exhibit 6

Principal: CN=[REDACTED] OU=NNIB/O=NNNG
MailSaveOptions: 1
SECUREMAIL:
PostedDate: 06/16/98 05:30:18 PM
Recipients: [REDACTED]@NNNG [REDACTED]@NNNG
MailOptions: 0
SaveOptions: 1
From: CN=[REDACTED] OU=NNIB/O=NNNG
Logo:
Sign: 0
Encrypt: 0
DefaultMailSaveOptions: 1
SenderTag:
\$KeepPrivate:
SendTo: [REDACTED]@NNNG
CopyTo: [REDACTED]@NNNG
BlindCopyTo:
Subject: Rosemont P&C 10/1
\$UpdatedBy: CN=[REDACTED] OU=NNIB/O=NNNG

b6
b7C

I had a good meeting with the CFO [REDACTED] of the captioned village this afternoon. The incumbent is [REDACTED] with Insurance Co. of the West handling the liability & Swiss Re on the property. The municipal business has a \$50,000 SIR. While the entertainment venues (the Horizon and theater) have higher retentions.

[REDACTED] said he is not sure if he will put the captioned out for bid this year in that he just put it out two years ago.

Our job over the next month is to convince him that it is in the villages best interest to put it out to bid.

FYI, he opened up the meeting with his usual disclaimer. "All decisions including if the business will go out to bid is made by the Mayor." That was a real surprise.

My strategy is to write a letter to [REDACTED] & I will get a copy to [REDACTED] and Trustee [REDACTED] so they can talk to the Mayor on our behalf explaining the substantive reasons why the village's P&C insurance should go out for bid. These reasons include:

ICW's book of business was recently rolled over to the Royal

Our vast experience in Entertainment. K&K was on it in the past and wants it back bad. I will work on this with [REDACTED]

Very Soft Market

The need to reengineer the incumbent program breaking out the venues from the public entity programs.

Claims handling is also a major hot bottom and the ability to work with the village's attorney.

If you have any other recommendations please advise.

Exhibit 7

Principal: CN: [REDACTED] /OU=NNIB/O=NNNG
MailSaveOptions: 1
SECUREMAIL:
PostedDate: 06/29/98 03:09:59 PM
Recipients: [REDACTED]@NNNG
MailOptions: 0
SaveOptions: 1
From: CN: [REDACTED] /OU=NNIB/O=NNNG
Logo:
Sign: 0
Encrypt: 0
DefaultMailSaveOptions: 1
SenderTag:
\$KeepPrivate:
SendTo: [REDACTED]@NNNG
CopyTo:
BlindCopyTo:
Subject: Rosemont
\$UpdatedBy: CN: [REDACTED] /OU=NNIB/O=NNNG

b6
b7C

[REDACTED] called me from the Mayors office on Friday and requested that we send our contribution for Mayor Stephens December fundraiser in before 6/30 which is tomorrow. The reason is obviously that 6/30 is the date in which any monies received after this date cannot be converted to personal use.

I recommend as does [REDACTED] that we contribute \$3,000 ASAP versus December (she said anywhere between \$2-\$3,000 k Tickets are \$2,500) . I inquired if the Mayor was aware of my meeting earlier this month at the village and she concurred that he was aware of the pending captioned item.

The proper request form is being forwarded as well to your attention.

Exhibit 8

ReturnReceipt: 0
DeliveryReport: B
DeliveryPriority: N
Subject: Contribution Request Approved: Village of Rosemont - December Fundraiser
SendTo: [REDACTED]@NNNG
From: CN=[REDACTED]OU=NNIB/O=NNNG
PostedDate: 06/30/98 09:45:16 AM
\$UpdatedBy: CN=[REDACTED]OU=NNIB/O=NNNG,CN=[REDACTED]OU=NNIB/O=NNNG
RouteServers: CN=NNIB_CH1/OU=NNIB/O=NNNG
RouteTimes: 06/30/98 09:45:16 AM-06/30/98 09:45:16 AM
DeliveredDate: 06/30/98 09:45:17 AM
Categories:
\$Revisions:

Your contribution request for Village of Rosemont - December Fundraiser
submitted on 06/29/98 has been approved by [REDACTED]

b6
b7C